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**COYNE
RIPS THE
HARPER BUDGET P.14**

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'Drug testing for marijuana only shows that a person has used it sometime over the past month. It's ludicrous to think that someone who smoked on Saturday night is impaired on Monday.'

ada. On the first two, the second system for the intelligence gathering didn't work. On the third flight, my my table fell into my lap each time the passenger ahead of me moved in his seat. On entering the plane for the fourth flight, my experiences increased because it appeared to be brand new. The experience was short-lived: Being a red-eye

U-Gol. George Armstrong Custer Taylor refers to Custer many times throughout his book, but it is not the story of the Battle of Little Bighorn, which was not even mentioned in the book. Custer was not only one of the most decorated heroes of the Civil War, but he had respect for Native

are marijuana related. Alcohol and cocaine are the drugs of choice in the oil patch and I understand that they clear the system for faster drug excretion.

Lynne Williams, Lethbridge, B.C.

A DO-NOTHING ECONOMY

I THOUGHT THAT Andrew Coyne's column about fiscal stimulus ("The best stimulus is no stimulus at all," *Opinion*, Feb. 18) was off to a good start, mostly because I agreed with his premise. Unfortunately, Coyne's assertion that the "Harper government has been admirably unwilling to follow the Americans' lead" in issuing a stimulus package flies in the face of the most recent statistics and unnecessary tax cuts. Coyne says we don't need a deficit: Our country with a \$600-billion national debt, multi-billion-dollar deficits in infrastructure such as roads, water and sewers, and housing, not to mention health care, post-secondary education, and the environment, the \$12 billion tax break announced last fall as the Conservative equivalent of a stimulus package—and it too carries a heavy penalty in the long run. Over the next five years it costs the government less \$60 billion less to spend doing what everyone agrees needs to be done. It may be politically expedient, but it is still foolish.

Jerry Steele, Brandon, Man.



SURE, CALL the cowboy, like Lund did on his album, write a reader, but don't insult Custer

light, soon after take-off the seatlights were turned off. Not ready to sleep (no blankets or pillows were provided), I tried to turn on my seat's overhead light. It didn't work. I asked the attendant how come, as a new plane, the light didn't work? He informed me that it was not a new plane, it was a refurbished plane. Then I thought I would watch a movie on the little screen in front of me. Guess what? It wasn't working!

During my trip I flew with Air New Zealand six times. Everything worked and the service was excellent, including the provision of blankets and pillows. As a proud Canadian, I am embarrassed and ashamed of Air Canada. Maybe there should be more focus on the service and a little less on the bottom line.

Rick Matthews, Cobourg, Ont.

CUSTER'S LAST STAND

I HAVE JUST READ Peter Shaver's story about country singer Cork Land's lawsuit against George Armstrong Custer Taylor's book, *My Life on the Plains*. The book is a history of the Indian Wars, but it is not the story of the Battle of Little Bighorn, which was not even mentioned in the book. Custer was not only one of the most decorated heroes of the Civil War, but he had respect for Native

Americans as he indicated in his autobiography *My Life on the Plains*. The negative policies at the time toward the Indians came from his superiors in Washington and the railroad barons who wanted to push west.

Thomas A. Anderson, Victoria

DOPE AND THE PATCH

BEING TESTED for prohibited substances, I would have no problem with it being used on the work site, but I do not wish to see "One take over the line," *National*, Feb. 18). Drug testing, in the case of marijuana, only shows that a person has used it sometime over the past month. As it currently sits, it is no more than Americanized witch hunt in Canada. It is ludicrous to suggest that a person who smoked a joint on Saturday night is in any way impaired on Monday morning, but the stupidity of drug testing knows no bounds. I am not surprised to read in Chris Kelley's story that the Alberta Alcohol and Drug Abuse Commission in Port MacKenzie, Alta., has had a 25 per cent increase in deaths over the past 18 months, but I am sure that few, if any, of those cases

IN PASSING

JANIS DEMOSWICK, 57, former Slovenian president. During his tenure, he led Slovenia to freedom from Yugoslavia with minimal violence, and established his country as a member of the EU and NATO. In 1999, Demoswick was diagnosed with kidney cancer and adopted a holistic lifestyle, but more serious grew. His most heartening books about his ecological and humanitarian values.

Johnnie Carr, 90 civil rights leader. In 1955, along with his friend Rosa Parks, Carr boycotted buses in Montgomery, Ala., to protest racial segregation. Seven years later he succeeded Rev. Martin Luther King Jr. as president of the Montgomery Improvement Association. Carr had recently suffered a stroke, but also maintained the year until his death.



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MITCHEL RAPHAEL ON AN MP'S ROOF JUMP AND WHAT JUSTIN SAYS 'WON'T BE HAPPENING AGAIN'

BARE BUTTOCKS: IT'S A LIBERAL THING

Toronto Liberal candidate Bob Rae pleaded "total coincidence" as a riding fundraiser held at O'Grady's restaurant bar in the heart of Canada's largest gay village. At the Rae event in Toronto were fellow Liberals Scott Brison and Justin Trudeau. All three "coincidentally" have lived their lives in the name of sex, an irony Brison for a career fundraising calendar, Trudeau on the film *Boys in the Trees* and the *Rocky Horror* Report. "Men was preferred," Rae noted. "Men was desired, in good taste, and smaller," Brison quipped. "That won't be happening again," Trudeau joked later. In a speech, Brison compared the Toronto Centre riding, which hosts the biggest gay pride parade in the country, to the Swiss town of Grange-les-Bains. "I live in a little community called Chamonix with only 200 people. The Chamonix gay pride parade is when my partner and I go to the center stage," Brison then talked about his upcoming wedding to Maxime LePier, noting, "Mark Critch from *The Hour* was 22 minutes late and mid, Tim from *News* was late. I've never been to a wedding before where someone wasn't knocked up."

WHATEVER HAPPENED TO THE NEXT GREAT PM?

On March 23, CBC will air the third televised Canada's Next Great Prime Minister. But whatever happened to the old winners? Did they land in a reality show *Dangerous* or achieve political glory? Suffragette Delia McKenzie won the first televised competition, after which the UofT University student became press secretary to Jean Chrétien when he was minister at



BOB RAE, Scott Brison, Justin Trudeau (top), Delia McKenzie (middle left) and Joseph Lavoie (right), Jim Prentiss, Charlie Angus, Bob Williams, Delia Jean Galloway

Liberal Affairs. She then moved with him to industry. McKenzie witnessed Prentiss in her job interview and he offered her a place on the spot. McKenzie later confessed to him that when she was a delegate at the 1983 Progressive Conservative leadership convention, she was wearing Vice. Blue was Peter MacKay's colour. MacKay went on to beat Prentiss and replace Joe Clark

"I had a great laugh about it," says Prentiss, who is known on mentoring young people, especially women. "I have three daughters and no sons, and four sisters and no brothers. I am quite passionate about proving the way for women in politics." Describing a family photo, he says, "I look like Joe and Canada's women's hockey team." Prentiss has high hopes for McKenzie. "There's

not a shred of indication that she will run for office some day and have a respected career in politics."

BRIAN MULROONEY'S EVERYWHERE

Joseph Lavoie won the second televised Canada's Next Great Prime Minister. Right after the show aired, the Montreal-born "army boy" was offered a job by Navigator, one of Toronto's top PR firms. The Navigator interview was tough, reports Lavoie. "When I first started they would refuse Canada's Next Top Model," or "The Canadian Idol of Prime Ministers." Now Lavoie is one of the spokespersons for a former PM who was also a judge on the show. Brian Mulrooney "Went to see you again Joseph," said Mulrooney after he retained Navigator to handle the Karlieue Schröder affair.

MP DISSER CÉLINE

NCP MP Charlie Angus held his fourth annual music-themed political fundraiser at Supersport restaurant and bar in Toronto. The lineup included Bob Williams, who has played with Blue Rodwood and the Hidden Cameras, and Jason Collette of Broken Social Scene. Angus was in the eighties punk band U2informer with Andrew Cash, who recalled how the northern Ontario MP jumped off the roof of his high school after an "unsuccessful" performance. "I can't quite remember when he landed, but I remember the cast," Angus says, "because of the noise, it's not do you. I think to that and I just turn it off. It's like listening to Celine Dion when I think so [other] political types talk." ■

ON THE WEB: For more Ottawa outtakes or to correct factual mistakes visit mcclellan.ca/mcclellanreport

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SEEKING AND HEARING, J.A.

Even now, the Tories can't seem to restrain themselves



ANDREW COYNE

I gather this is what passes for restraint in Ottawa. A year ago, the finance minister gleefully unveilled a budget that was byzantine, convoluted, unbalanced, and above all unconservative. But that was their first test: were good, the revenues were flat, and it seemed prosperity had never died. And now? With growth decimated, and revenues actually in decline, and criticism about the U.S. economy overshadowing all the Conservative pro-budget messages, was all about the need for restraint. Why, then, has Barry even had himself photographed having his shoes soled, rather than pick up the trademark new gun? So you can imagine my shock, on opening the budget, to find that the new look, shuffles cabinet plans to spend every bit as much as the forecast in last year's budget, plus a little more. Last year, he was "the biggest spending finance minister in Canadian history." This year, he still is.

It could have been worse, I suppose. The Conservatives only had to 2 billion of new spending into last year's figures—the same year-end upshot they routinely targeted when in opposition—rather than the two and three times that amount the opposition wanted. For a restraint the case that, under the Conservative government, Ottawa will spend more than 122 billion this fiscal year, or a little over \$4,000 for every man, woman and child in the country. Some after adjusting for inflation and population growth, that's the most it's ever spent. It's one third more and dollars per citizen than the government spent a decade ago. The budget rules itself "Responsible Leadership." Imagine what they'd have spent if they were irresponsible.

The constraint, of course, is that the surplus, after averaging 112 billion a year over the last three years, has suddenly plunged to \$2.3 billion in the current fiscal year, and 11.1

billion the next—less than the so-called "prudence" margin of \$1 billion. More delicate prose has been written to the effect that since the margin of surpluses—that, had the Tories not chosen to cut two points off the GST, at a cost of \$12 billion annually, they might have had that much more fiscal room to work with, i.e., to spend. To my mind, this is one of the few things to recommend the GST cuts.

But surely, if we're wondering who took the surplus, we should at least include among the suspects the \$31-billion increase in spending the Tories have engineered over their first three budgets. Perhaps comparisons with a decade ago seem remote. Very well. Try this one on for size: had the Tories merely kept spending to where it was when they took



Ottawa is spending one-third more real dollars, per person, than it did a decade ago

office, plus three per cent per year—that is, had they taken all of the cost savings for which they rightly criticised the Liberals, and merely added enough each year to cover inflation and population growth—program spending today would be, not 122 billion, but 131 billion. The government would not be in peril of falling into deficit, but would be doing so a comfortable 132 billion cash per-year after the GST cuts. If times are tight now, it's because they were so loose before.

Liberal or Conservative, governments spend the revenue just as fast as it was coming in, leaving themselves with precious little margin for that inevitable time when the revenues are not flowing quite so freely. And they're still spending it. The effect of a decline in revenues is not to cause them to reduce spending, or even to slow its growth, but merely to refrain from accelerating it still further.

Mind you, merely because a finance minister does not have billions in a surplus means to write with it should not be an impediment to creative budgeting. Indeed, indeed, after all, are supposed to be the norm. And there are some flakes of creativity in the budget. The proposed tax-free savings accounts—a kind of inverted RRSP, with the tax deduction at the back end rather than the front—are something economists have been recommending for years. If the \$5,000 ceiling limits their impact, it's a start. Likewise, the 2004 replacement by PPF Canada, a fund to support more use of "public-private partnerships," may grow into something more substantial in time. There's encouraging language about a new approach to Aboriginal economic development, and a useful demonstration project in carbon sequestration, a promising technology in the fight against global warming.

More radically, the budget proposes to live off an employment insurance, now part of the government's general budget, into a separate account, independently managed and largely self-sustaining. The implication is that a revamped EI would operate as something more nearly resembling insurance principles—it is hard to imagine the current byzantine system of cross-subsidization of pro-

grams and benefits surviving under such a regime. If there's anything that is a potential political tripping wire in this budget, this is it.

But as for the rest of it: The Canadian Millennium Scholarship have been shut down; an unwanted intrusion in provincial jurisdiction, Tories half-only to be replaced by Canada Student Grant. The current expenditure review produced a grand total of \$100 million in savings, or one-tenth of one per cent of all program spending. Granted, only 17 departments and agencies were included in the current round, with a combined budget of \$13.4 billion, but still: the federal government is 95.3 per cent efficient? ■

MORE ONLINE: For further budget analysis and reactions go to www.macleans.ca/budget2008. For more Andrew Coyne, visit his blog at www.macleans.ca/andrewcoyne.

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Why an 'authentic' campaign is a dirtier campaign



ANDREW POTTER

Eight months from now, either John McCain or Barack Obama will be the new president of the United States of America. And if voters get what they have been demanding for, the election will bring us closer what promises to be the dirtiest campaign ever fought, marked by personal attacks of viciousness that they will make the usual swilling seem like a steam bath.

Nat'l long ago, New York Times columnist David Brooks wrote that in U.S. politics, the race goes to the candidate who does the best imitation of a first boy. This formula certainly held for both Bill Clinton and George W. Bush, but this time the public seems to be after something a little more refined. For Republicans and Democrats, what will carry the day in '08 is apparently something called "authenticity."

Republicans never married to Matt Romney, partly because of the Mormon thing, but what really seemed to bother the GOP faithful about Romney was his perceived lack of authenticity, at least as compared with John McCain, who everyone agrees is 100 percent authentic. On the Democratic side, Hillary Clinton risked her claim to the party's main status on her experience and her mastery of language. If she managed to duck the weather, she would have seen that the wind was blowing straight toward Mr. Authenticity, Barack Obama.

Joe Klein (remembered this trend a few years ago in his book *Pink Letters*, an essay about the decline of authenticity in presidential politics). At the time, his argument seemed little more than a nostalgic lament, but now authenticity is on everyone's mind. Even Karl Rove is getting into the game in a column for the *Wall Street Journal*, the Republican strategist argued that Obama's recent prodding to the left wing of the Democratic party had seriously undermined his "post-

partisan authenticity."

Yet for all its currency as the catchphrase of the political season, it is not clear what people even mean when they call someone authentic. "Authenticity" has become just another over-used marketing term like "gourmet" or "natural." Everything is authentic these days—Mars wine, blue jeans, underwear, your preferred candidate for president.

The question could be, authentic to whom? What Joe Klein dislikes about politics today is how it has become dominated by politicians and focus groups, with the candidates serving as little more than packaged images whose job is to look presidential while sticking to their talking points. He uses "authenticity" as more or less a synonym for



Mr. Authenticity himself was accused by black leaders of playing a role: 'magic negro'

both "spontaneity" and "leadership": the authentic candidate is able to rise above the partisan fray by simply being himself. It fits nicely with the nature of Obama's and McCain's supposed authenticity. Both men have connected with voters across the blue-state/red-state divide, and while that has put each at odds with the party's base of conservative support, it has tremendous appeal for the mass of voters in the "post-partisan" center.

The problem with this sort of authenticity, though, is that it does not really exist. It is a bit like electricity—we know it when we see it, which is a roundabout way of saying that authenticity is in the eye of the beholder, filtered through all manner of hopes, ideals,

and prejudices. So when he appeared out of nowhere last year, Obama was confronted with the accusation, largely from the black establishment, that he was playing the most stereotyped and manipulative role imaginable, that of the so-called "magic negro" meant to save the white man. Meanwhile, McCain has had to fight off accusations that he's actually trying to "break back" to the race of Barbara Ann at a rally is definitely spontaneous, but is that really what we want in the leader of the free world?

If anything, the focus on authenticity may end up exacerbating the deeply partisan campaign that voters claim to find so all-purging. What was also it may be, authenticity is about character, and if you choose to run your campaign entirely on who you are, then you open your self up to personal attacks. When it comes to the politics of authenticity, character assassination becomes a legitimate—if not completely obligatory—game.

We are already seeing the intimacies of what is to come. When Obama was caught cribbing a few lines for a speech from his friend David Perdue, Hillary Clinton pounced, arguing that this "playbook" was just dishonest, it undermined "the entire premise of his candidacy." The choice of terminology is telling. It suggests that the passing off as your own the work of another, and like hypocrisy, it is a crime of authenticity. For his part, John McCain is on for a rough ride. It's quite

easy to bullseye his image as a man of impeccable honor, integrity and moral rectitude, and if it turns out that he's just another guy who cheats on his wife and coo-ooes around with lobbyists, what does he have to offer?

In the end, the contest may turn authenticity amounts to a failure of political nerve on all sides. It's not in choosing sides, and however much we might wish it away, partisanship is an inescapable part of democracy. What is helpful is if the candidates can on their goals either their personalities. At least then we know what we are voting for. ■

ON THE WEB: For more Andrew Potter visit his blog at www.andrewpotter.com



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'If the Canadian government recognizes Kosovo, I am out of here in 48 hours. The declaration of independence is illegal.'

AMBASSADOR DUSAN BATAKOVIC TALKS TO ISABEL VINCENT ABOUT SERBIAN NATIONALHOOD AND IDENTITY, AND THE PQ'S 'KOSOVO BROTHERS'

Dusan Batakovic, 58, arrived in Ottawa last fall as Serbia's new ambassador to Canada. The former Belgrade University history professor was a supporter of former president Slobodan Milosevic, and was dismissed by paramilitary forces for his efforts against the regime. Batakovic is also an expert on the disputed Serbian province of Kosovo, and has arrived as an adviser to current Serbian Prime Minister Vukobrat Kostovic on the Kosovo issue. He spoke to Maclean's about Serbia's position on the breakaway region, and why Kosovo's recent declaration of independence has caused such fierce emotions among Serbs.

Q When Kosovo unilaterally declared independence on Feb. 17, a number of Western countries (right out of 27 members of the EU), including the United States, reacted to recognize the Serbian province as a new state. In protest, Serbia promptly recalled its ambassadors from those countries. What are your prospects for remaining in Ottawa as the recently appointed ambassador?

A: If the Canadian government recognizes Kosovo, I am out of here in 48 hours. [Serb] President Boris Tadic has sent a letter to the Governor General demanding that Canada not recognize the independence of Kosovo and invoking all previous legal acts, including UN Security Council Resolution 1244, asserting Serbia's control over the province of Kosovo. I have conveyed the decision of the Serbian parliament to the Canadian foreign ministry that the unilateral declaration of independence is illegal.

What has been the role of Quebecers has rushed to support their "Kosovo brothers" and we warn Canada of the dangers for this country of recognizing Kosovo. This is a dangerous but important precedent which is encouraging separatists around the world. I am hopeful that Canada, with its commitment to the United Nations and to international law, will not recognize Kosovo, but I don't know what will happen here in the future.

Q Are you worried that Kosovo's independent vote is creating a sharp division in the international community, with Russia, India, China, Brazil and Indonesia, among others, refusing to support it and recognizing Kosovo's independence as a new state and the EU's role behind the ethnic Albanians in Kosovo? As Serbia warned that this will jeopardize their identity on the EU, which has been the goal of reformers like yourself since the ouster of former Yugoslav dictator Slobodan Milosevic in 2000?

A: Serbia could not let a European state, but if you asked Serbia if they would join the EU at the expense of Kosovo, the answer would be overwhelmingly no. In fact, Kosovo's Western partners have not understood that Kosovo is not just a territory of 10,000 Serbian institutions and churches. It is a com-

ponent part of Serbian identity. I am a Serb, a Christian and also a European, and Kosovo is a very important part of my identity. Kosovo is in the heart of every Serb. There are 200,000 Serbs in Canada, two million in the United States and one million in Europe, and they all celebrate one holiday on June 28—Kosovo Day.

Q You're speaking of the battle of Kosovo in 1389, which the Serbs fought under Prince Lazar. Were they defeated by the Ottoman Turks on that day was very effectively used by Milosevic to fan the flames of Serb nationalism, and justify the wars that led to the breakup of Yugoslavia.

A: It was Albanian nationalists that destroyed Yugoslavia and brought Milosevic to power. He would have remained an obscure provincial banker if there was no widespread Albanian nationalism, encouraged by the Serbian Albanian regime of Slobodan Milosevic in the 1980s [Former Yugoslav leader Josip Broz Tito] knew the dangers of Albanian nationalism, and as a result to Kosovo in 1968. He warned that the Albanians could destroy the unity of Yugoslavia.

Also, please remember that Serbs are not celebrating the defeat on June 28. They are celebrating the struggle against oppression, the struggle for freedom, and people who have sacrificed for freedom of the nation. That's why people took to the streets to protest Kosovo's independence last week, and they included everyone from our prime min-

ister to [Minister] Jovan Kastratovic and even our Nobel Laureate [who gave his support by video conference]. For the most part, the protests were magnificent and very peaceful, with only a small percentage of people engaging in hooligan actions, which ended up with the regrettable attacks on Western embassies.

Q Several foreign embassies were damaged, and protesters set fire to part of the United States Embassy. Many have criticized the Serb security forces, who seemed to let them get away with it. Is it the ethically divided city of Mitrovica in northern Kosovo, 1,000 Serb demonstrators confronted UN police guarding a bridge leading to the Albanian side of town. Do you think that we can expect more violence from Serbs, especially to protect those who still live in Kosovo?

A Serbs will remain defiant beyond any doubt. But it is difficult to predict what will happen, what will be the internal dynamics within Serbia and the attitude of the European Union. There is a whole new post-Milosevic generation—people who don't remember the wars at the 78-day NATO bombing of our country [in 1999]—who see the Western attitude to Kosovo as a total injustice. We have a great deal of difficulty convincing them that they are not treated as enemy occupiers for everything bad that has happened in the Balkans.

Q Is there a feeling among the Serbian government and the Serbian negotiating team on the status of Kosovo, of which you were an important player, that the US and some of the EU recognizing of Kosovo's independence is about punishing Serbia for the crimes committed by Milosevic, especially the wide-scale human rights violations committed by Serb paramilitaries in Kosovo that led to that NATO bombing campaign?

A: I understand where we were in negotiation on Kosovo when [UN special envoy on Kosovo Martin] Ahtisaari told me, "You Serbs are guilty as a nation and have to pay the price of collective guilt." This was in Vienna in 2006. I asked him, if we are guilty as a nation, why are we not at the Hague tribunals? His comments became a major scandal in Serbia, he eventually moderated his position, but the issue of collective guilt and the punishment of Serbia by the international community has stuck. [Ahtisaari] denied asking about collective guilt, stating that he reminded that "Serby nation had, as one heard to hear and had to live and deal with it."

Q Did you and the reformers who took over Serbia after Milosevic were positive critics of his regime. You were a university history

professor who refused to sign an oath of allegiance to Milosevic, who made your life very difficult?

A: I was very active in the anti-Milosevic movement since the mid-1990s when I returned to Belgrade from my Ph.D. studies in Paris. I was president of the Council for Democratic Changes in Serbia, an anti-Milosevic NGO. I was followed and threatened by paramilitaries. I was threatened to be killed if I didn't shut up, and I refused to give up. I investigated the oath to Milosevic at the university and I was very close to leaving my job.

Q What is your biggest worry about an independent Kosovo?

A: Look, Kosovo had almost nine years with the help of the international community [the UN mission] to implement non-discriminatory measures to protect minorities in the province, but the only thing that Kosovo Albanians have done is engage in their own ethnic cleansing. And I fear it will only continue, and Serbs and other minorities will not be protected as per the requirements of UN Resolution 1244. Progress is the only critically damaged part of Europe. In 1999, there were 40,000 Serbs. Now there are 66,000 Serbs left. Sixty per cent of Kosovo's Serbs [about 100,000] are living in internally displaced persons or refugee camps in Serbia and Montenegro. In Kosovo, 150 Serbian Orthodox churches have been destroyed by these Albanian type Taliban. They are destroying Serb medieval churches in order to erase any trace of Serb presence in the area.

Furthermore, there is no respect for the rule of law in Kosovo. In Serbia, there are several legislations against Serb policemen for crimes committed against Albanians, but in Kosovo, where 1,500 Serbs have been killed and an equal number have been abducted, not a single perpetrator has been brought to justice. Kosovo is the only place in the world where someone can become a prime minister after killing a policeman.

Q You are speaking of Hasko, Tadic, the former guerrilla leader of the Kosovo Liberation Army, who was elected prime minister by Parliament in January.

A: It is very sad to me that our Western partners have expected democratic Serbia and everything we have achieved in the last eight years as a national framework for solving the Kosovo issue, and are embracing former war leader Vukobrat Tadic.

Q What will happen on the ground in Kosovo if it is fully recognized by the international community?

A: We will not know these things are going to proceed. Kosovo is dependent on Serbia for both water and electricity, and these are municipalities that are still integrated into

the political system of Serbia. People are still receiving salaries from the governments of Serbia and schools are still operating under our jurisdiction, a state of affairs that never existed, even in 1999.

Serbia will use all democratic and legal means to prevent Kosovo from becoming a UN member, which is addition provides it transjuncting other international bodies, such as UNESCO, UNICEF and the World Bank. We know that this time, law and justice are on our side and we cannot be overcautious this way. When we are asking to be treated as an equal partner in the international community. We cannot be asked to give up 10 per cent of our territory. No EU country has had to compromise its territory or identity. Kosovo has 70 per cent of all the mineral wealth of Serbia, including zinc, gold and silver. It has 90 per cent of its coal reserves. This is not



'Kosovo has 70 per cent of all the mineral wealth of Serbia. This is not only about territory and heritage.'

only about territory and heritage, it's also about business.

Q Do you think that Albanians will come back to the negotiating table?

A: It is entirely depends on the powers that influence them. Over the last three years, Serbia has offered all signs of supererogatory autonomy to Kosovo, but they have refused to negotiate. It's very bizarre for me to watch the UN forces in Kosovo. They are supposed to protect all citizens, but an own protecting the borders of an independent Kosovo. This is not what they came for. ■

AN ELECTION BUDGET AFTER ALL

The Tories won't fail on this budget, but it sets markers for when they do

BY JOHN GEDDIS • In the days leading up to this week's federal budget, Canadians might have been forgiven for feeling a tad confused about their federal government's mood. The story from Parliament Hill was often about Stephen Harper's new status inside the room, as the formerly thumpy Prime Minister turned all sub-60-year-old and began to come to terms with the Liberals on Afghanistan. Or the new night has been about, say, privaters getting their own say on climate change policy, and how the newly diplomatic federal Tories were saying that

on the environment, a file on which many Canadians tend to fault Tory inaction. But necessary regime turning to win a majority needs some coalition work, and the Conservatives need sound economic management, along with some law and order legislation, as their mantra. "There would have to go down the path to higher spending, higher interest payments and higher taxes," Flaherty said in his budget speech. "Our government is taking the path that requires faith, prudence and discipline."

That's rhetoric aimed at anxious Canadians who have been hearing that a U.S. recession is about to jeopardize their economy. To back up his concerned stance, Flaherty could point to two significant policies that might provide a bit of cushion during a downturn

draining a federal fiscal plan had surprisingly little to do with spending, short-term tax cuts and stimulus, and much more to do with extending and exploring Canada's remarkable ability to absorb a loss of economic strength.

Consider some of the biggest deficit items in what was, admittedly, a modest budget when it came to new spending. Most economists say infrastructure is a key to long-term prosperity, and the budget commits \$100 million to support public transit. It also extends the so-called Gas Tax Fund, which provides municipalities with billions for roads and transit, waterworks and sewage treatment. Every economist worth his head of trade-bracket speech for also notes the need to educate senior workers for emerging edge industries, and the budget pumps about

will grow steadily over the next two years. Still, that's after a steady rise of renewable property and underfunded program costs. The federal deficit was \$6.5 billion. As Dale Orr, an economist with the consulting firm Global Insight, points out, Canada's per capita gross domestic product, the broadest measure of all the goods and services produced, set period forecasts—including this—by about 26 per cent over the past 10 years, outpacing even the robust U.S. GDP growth of 20 per cent per capita over the same period. That means the average Canadian's standard of living last year was \$4 per cent of the

western, Canadian will be able to enjoy the new accounts on fire to buy a house, upgrade on a car, or, as Flaherty put it, "to simply trust themselves."

It was as close as he came to trying to dispense these pathbreaking concerns. The way the Tax-Free Savings Account concept lands itself to the politics of budget-making, a moneymaking with a bit of other Tory tax cuts from past budgets. The \$2,000 tax credit for every child in every family, the \$100 million credit for kids signed up for sports, income-splitting for income on pension, even the two per cent cut in the GST—all these measures are designed to make tax cuts as tangible as possible. They are easy to remind folks about in a campaign mad speech.

Focused tax breaks stand out in much sharper relief than the broadly based ones introduced by the Liberals in 2006, or for

some economic policy. Both are for broad impact, not deficits and a mix of policies to promote amenities and build infrastructure. "Under the circumstances," Dean said in declaring he wouldn't fill the Harperist void over Flaherty's plan, "I don't see enough in this budget that would justify that we participate in election that Canadians do not want for now." He called the budget "a mix of make and one with a bit of a reference to its many modest measures but lack of an anchoring tax or spending plan of real bite. Rather than dismantling the budget, Liberals pointed to proposals of theirs they say the Tories picked up, from making the Gas Tax Transfer permanent, to supporting the auto sector, to investing in transit and infrastructure. It was left to the NDP's Jack Layton to blast the Tories for "tipping working families," and the Bloc Québécois' Gilles Duceppe for

DON CALLED IT 'A LOT MORE WIDE, AND ONE MUCH DEEPER' BUT WON'T FORCE AN ELECTION OVER IT. LAYTON AND DUCPEPE WERE JUST IN PREDECESSOR



READY FOR THE TRAIL Flaherty's Tax-Free Savings Account is tangible and easy to remember. Just like, say, a cut to the GST.

was justified by there. But then the next headline off the Hill was to likely be about Finance Minister Jim Flaherty coming out slugging and truly against Ontario Liberal Premier Dalton McGuinty over how to help his province's troubled economy. Or Industry Minister Jim Prentice taking the position at Solihane Dean over the Liberal Liberals' alleged plans to tax and spend Ontario back into debt.

If the Conservatives appeared to be suffering through an identity crisis, they were really clarifying their message for the next election—wherever it comes. Harper started to look conciliatory on Afghanistan, an issue that divides voters in a way that gives his administration a right. Suddenly, his government isn't afraid to sound involved, modest

Barth, though, were announced well before the budget, so they didn't make much of a splash on Flaherty's big day. Last fall's mid-budget brought in business and personal tax cuts that add up to \$13.1 billion in 2008-09, a substantial stimulus for those who believe a recession is on the way. Then, in January, the Prime Minister announced a \$1 billion fund to support communities that rely on food but "traditional" and under the financial, a comprehensive program for smaller cities and towns that, incidentally, tend to vote Tory.

But that's about it for big measures that have much to do with the current economic issue. That doesn't mean, however, that the rest of the budget wasn't worth reading. In fact, the real story of Flaherty's third try at

\$1 billion over three years into "people" and "knowledge," which largely means universities and students.

In quieter times, any first or minister would have taken a few items like those and wrapped them up with a sunny slogan about innovation or excellence or the "knowledge economy" that Flaherty was too busy waging about "meeting the challenge of global economic uncertainty" (info) for much of that sort of upbeat talk. Yet most of this budget—and arguably most Tory tax and spending policy that came before it—is shaped by the extraordinarily strong economic realities Harper's government was elected in in 2006, rather than by this year's more severe outlook.

Flaherty predicted that Canada's economy



FLAHERTY IS IN AN ENVIABLE POSITION, EVEN IF HE INHERITED IT FROM THE LIBERALS

average American, up nearly from 62 per cent back in 2007. Canada's unemployment rate is at a 19-year low and, in sharp contrast to the U.S., Flaherty was able to creditly boost this week that Canadian household and business finances are in good shape by international standards.

Overall, it's an enviable position for any finance minister to find himself in—except for the politically inconvenient fact that he inherited it all from the Liberals. That leaves Flaherty in a position where he needs to maintain momentum on fundamentals, while altering the mix of policies to put a Tory spin on that continuity. His answer, moment by moment, the 2008 budget's signature tax cuts, the Tax-Free Savings Account. Flaherty called it "the single most important personal savings vehicle since the introduction of the RRSP." Everyone will be allowed to contribute up to \$10,000 every year to a registered account, carry forward any unused room to future years, and pay no tax on the interest earned once those savings earn. Unlike an RRSP, which is about saving for being old

that matter, the across-the-board personal and business tax reductions Flaherty himself announced in his first 100 days in office. But critics note the measure, and he has his combs ready. "Some say we should not have provided a tax relief for individuals, families, workers and seniors—they call it blowing the surplus," he said. "It takes a certain kind of Ottawa politician to not giving people their hard-earned money back as blowing the surplus."

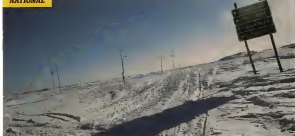
In fact, Liberals have limited their criticism of Tory tax measures pretty much to the two points they've shored off the GST, at some of \$12 billion a year to the federal treasury. Then the Liberals declare they would not attempt to raise the rate again above its current five per cent. That doesn't stop Flaherty from darkly alluding to "unavoidable" losses who might opt for "higher taxes, perhaps even an increase in the GST."

Beyond the optics of up-to-unilateralism, the Tax-Free Savings Accounts are increasingly hard to see fundamental differences between the Tories and Liberals on

not doing enough for Quebec forestry and manufacturing. Both and their parties would vote against the budget. No surprise there.

What mattered, though, was the Liberal support, lending any other loss on life to Harper's already surprisingly long lead in popularity. The many parties and political insiders who had predicted either Afghanistan or the budget was bound to trigger a spring election were surprised. But Conservatives and Liberals have been working against it that they would prefer to fight on other issues. The Tories have been talking up anti-crime legislation at every turn, not bothering to dispute their attempts to push Liberals into a confrontation. As for the Liberals, their general back Afghanistan and the budget early this week, leaving a question on the environment. Two potential election triggers have been sidelined. Either, it seems, are being put on a plane. ■

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TAKE THE MONEY AND RUN: Most residents took "the package"—their slice of the \$1.7 million the government is paying them to leave

THIS TOWN IS SHUT DOWN

Only two couples are left in Ayler Sound. And they barely speak.

BY MARTIN PATRICKSON • Howard Anderson, 61, all his former neighbors will say, is a small-town man among suburban ones. Scotch-born, in fact, that he has outlived Ayler Sound, the village in which he was born and that, last year, officially liquidated itself out of existence. He chops wood, shoots rabbits and watches nature shows on satellite TV. He says the only way he'll leave the town that no longer exists is with a gun to his head.

Meanwhile, there are know-nothings here too to take his own garbage to the dump. So, the water on the town's lights are going to be turned off, the telephone lines will likely go dead, and the he might stop coming, putting an end to a subsidized trip to neighboring villages. He can't drive anywhere, since there's never been a permanent road in or out of the place. And he's rattled at his last remaining neighbors because he knows they are probably going to "take the package"—their slice of the \$1.7 million the Quebec government has paid Ayler Sound residents to leave, the first time it has done such a thing in four decades. They used to play cards and have dinner together; now, the two couples are the only ones left in town, and they barely speak to each other. Once these neighbors leave and the 32 or so houses in this tiny, hard-to-reach corner of Quebec's Lower North Shore are demolished, Ayler Sound will be erased

from the landscape, leaving only Howard and his wife, Peggy.

"Thirteen told me 25 years ago that Ayler Sound was going to close right up, I would have put on them," Howard deduces from his dining room table. "When it came up a few years ago, I decided, well, I grew up without a grocery or a clinic, so I guess it'll be like that again." Then he looks out the window, trying to make sense of a plainly evident Howard, the scottish fisherman and father of three grown sons, is crying. He doesn't want to leave, he just wishes everyone would stay.

Howard and Peggy are mourning against a sad tale on Quebec's Lower North Shore: the region's population of 5,000, mostly anglophone, is quickly disappearing. Unemployment stands at 34 percent, nearly five times the provincial average. Ayler Sound, provincial administrator Richmond Manger says, is the proverbial canary in the coal mine on the North Shore, where about 21 percent of the population has either died or left in the last seven years.

Those who have stayed are old enough to remember the days when the Gulf of St. Lawrence was full of fish and work was as close as their boat, or the nearest sawmill plant. At its peak, Ayler Sound was home to 140 people, and was an important trading area

for the local fishery. Founded in 1850, the town was the permanent settlement for English fishermen and their families who, during the summer fishing season, would descend to surrounding islands to haul in crab and cod. Food and fuel came in mostly by boat, and those of the Lower North Shore have been waiting on government promises of a road for nearly 50 years—the stretch to Ayler Sound, intended nothing after the town was isolated in the electrical grid in 1970. Eliminate a 200-m road street on through the town, landing nowhere. The village got its health clinic in 1958, and a brand new school—about 200, with several classrooms,



and a gym—for its 25 students in 1991. Almost nothing will in Ayler Sound until the 1990 and millennium, which effectively snuffed out the village's reason for being. The Department of Fisheries and Oceans bought the fishing permit and tried to reinstate

fisheries on fish farming. It was too expensive a venture, and without a fishery to support itself on a road to connect to nearby employment, Ayler Sound began to disappear.

By 2005, there were only about 10 people remaining. In 2007, Ayler Sound voted to ask the Quebec government to shut down the village. The province, backed with the administration costs, readily agreed. By 2008, the end of Ayler Sound was fait accompli, and government evaluations arrived to put a price on the houses. Ruby and Wilson Winslow, neighbors to the Andersons, found out about it after receiving from a hearing and fishing jobs on James Bay. They say they'll probably leave, but they supported over the decision. "I stay until it's night," says Wilson. Ruby just shakes her head over the toll it's taken. "It's

HOWARD ANDERSON isn't leaving. The money comes only if people move within the region.



PEOPLE WHO ACCEPTED MONEY TO MOVE 'TOOK THE EASY WAY OUT,' ANDERSON SAYS

made a list of bad friends," she says. Howard and Peggy, whose houses sit on the water, were offered \$124,000—including \$14,000 for "emotional suffering." They reacted predictably enough. "I don't see if you write that in black and white," Peggy says of those who have already left. "They took the easy way out. They took the money. Many look really good to some people."

Suddenly, there were peering jobs in Ayler Sound. The Quebec government mandated that all the town structures, save for the church, had to be destroyed, and some residents were paid to do in their own houses. "If there was a road, there would be no need for this faithfulness," says Danny Robit, whose brother organized the votes and who, six months away (day), was destroying the house he built 25 years before. He says finding for Ayler Sound's clinic and school

would have been better spent on a road between here and nearby Tio-tio-la-Baleine, which already had both. "We could have stayed here just as well as anywhere."

It's remarkable that so many died for so long. The 5,518 sq km of rock, sand, started into and meeting glaciolacustrine of the Lower North Shore has more in common with nearby bowing Labrador than Quebec. Roughly two-thirds of its residents speak in the francophone dialect of Newfound and Labrador, while the French minority does much the same with its mother tongue. When the two converse in French, though they're making fun of one another. French is strange, language isn't just an issue. "Our survival depends on having people staying around," says Richmond Manger. But since

where there are actually people to be—had—encouraging the money. "The idea, and I think it's a good one, was to consolidate the people back. Ayler Sound is a larger town, without losing that population," says Manger. This proposal Ruby Mitchell, who says she will spend her pension building a new house in just about place where she can't find no more work anywhere else on the shore than there is in Ayler Sound? (The government of Newfoundland and Labrador, which has moved residents of three suspect communities in the last 10 years, also pays residents to leave, but typically allows them to move anywhere in the province.)

Nevertheless, Ayler Sound's decision has perked up attention on the coast. Manger (St. John's Middle Bay, a village near the Labrador border, might be the next to go. And the residents of Tio-tio-la-Baleine, a mainly French town of 350, are also debating the idea. "If the road doesn't come in, it won't just be on," says the resident Martin Macos, who owns the local exchange. "They're going to have to move the entire Lower North Shore." In 2006, the Quebec government announced \$600 million over 10 years for an extension of the road to the Labrador border, by which time, people here say halfheartedly, they'll either be dead or in Alberta.

Howard doesn't worry much about the highway anymore. Though they haven't paid municipal tax in three years, he and Peggy will have to buy a satellite phone for seven

grasses should they lose the service. They wonder what to do when the water's shut off (it might find itself turned back on, Howard has a lot of spare time). He especially wants to push things up with Ruby and Wilson before they leave. "I want my things that I regret to say well, and that's our good," he says. Besides, he thinks they'll both come back to Ayler Sound and when that highway comes through. "It's like that old superstition," he says. "Days always have to be to their own words." ■

HOME AT MACLEANS CA: Audio slide show of Ayler Sound and the North Shore



YOU'RE EITHER WITH US OR AGAINST US

Simply put, reality seems to have escaped the two parties. We believe we should stay and finish the job. We do not want to abandon the Afghan people or turn our back on the international community. Staying in Afghanistan is not the easy thing to do, but staying there is the right thing to do. —Bellevue Minister Peter MacKay starts debate in the House by challenging the NDP and the Bloc, who oppose an extension of the Afghan mission.

Scoring points with phantom attack ads

BY PAUL WELLS • Welcome to Canada: the party election headquarters in Ottawa, where packs of unnamed political journalists are routinely doled like nibs at a game of three-card monte.

When Tory minister John Baird unveiled the sprawling high-tech left last year, opponents and the banks of campaign and both in television studio proved the party was ready for a snap election. What they weren't told was that the computers weren't connected and the rooms was that down to save costs as soon as the last reporter left the premises.

The lights were on again on Feb. 27 for another show and tell. This one featured Jim



THE O'JAYS: Questions about copyright gave the story legs

Proctor, warning that Snip and Don's spending promises would add \$62 billion to the national debt. Proctor arrived with a show of Don's to the tune of the old O'Jays hit *For the Love of Money*. Cue days of nationwide coverage of the attack.

But the coverage itself was the attack. After days of free TV news exposure, the story of the ads got yet another breath of new life when the O'Jays' music publisher complained the Conservatives had infringed the band's copyright. That's when Tory spokesman Igor Spasov admitted that the ad had never aired, as a paid commercial, anywhere.

Precisely. In recent elections, both the Conservatives and their opponents have attracted free attention by announcing ads they didn't actually run—and avoided unwanted coverage by naming ads they didn't sell reporters about. Sources say the Conservatives plan to do much more of the same during the next election. "When it's so easy to make opponents do the party's work, why clip into cheap page funds unnecessarily?"

Terror hoax fugitive back behind bars

BY MICHAEL PRINCELAUNTS • Two years ago, a frightening fugitive arrived at the Ottawa headquarters of the RCMP's national security group. "He was a Muslim and I have a station on Islamic terrorism call operating in Vancouver BC," bluffed with spelling mistakes, the anonymous note declared the names and addresses of three men "plotting to blow up" the Danish and American consulates in the Lower Mainland. The Mounties took immediate action—surveillance teams, bomb-sniffing dogs, extra security outside the consulates—and within days, all com had traced the fix to an email address used at a Vancouver Internet café.

That's when the RCMP realized the truth: they weren't chasing terrorists. They were chasing a terrorist imposter.

After his arrest, Louis Lapointe confessed. The 25-year-old homeless man told police that the info mailed in his box were petty criminals who deserved to be "shut out." But the terrorist link was his, he said, a desperate attempt to catch the cops' attention.

In jail, Lapointe was charged with "purge mailing a terrorist hoax" and on Oct. 2, he became the first person in Canada arrested of that offense. Unfortunately, he wasn't in court to hear the verdict. His lawyer is still away a few weeks earlier.

Today, Lapointe is back in jail—thanks to his own penchant for petty crime. Strangely enough, the RCMP has not published his arrest. But Macdonald has learned that two weeks before Christmas, he was caught shoplifting at a mall in north Toronto and flown back to B.C.

The only question left to answer is how long Lapointe will stay behind bars. His lawyer has asked for a five-month sentence, while the Crown wants at least two years. "There are a limited number of people who have the expertise and the wherewithal to initiate gain against the state, and they can't be trusted," says prosecutor Ron Berman. "And this particular case was a significant distraction." And a pricey one. The investigation cost taxpayers at least \$180,000—not to mention Lapointe's plane ticket home. ■



LAPOINTE: Fake terrorist and bad spender, now back in jail

The homeless who can go home again



ONE-THIRD of an Ottawa shelter's residents contact families weekly

BY PETER HANNA TAYLOR • Are homelessness and loneliness synonymous? The typical image of a troubled, perhaps drug-addicted loner sleeping on the streets would suggest so. And yet sociologists, such as U.S. academic Timothy Poppo, claim many homeless people develop a wide range of complex relationships, including what he calls fictive kinship—family-type bonds that take the place of absent relatives. But what about the homeless and their real families? No one really knows.

When Toronto did a massive one-night survey of city homeless in 2006, they questioned 5,021 people, asking about demographic details, and what additional government services they'd like to receive. No one asked if they ever saw their families. The same goes for similar surveys in Vancouver, Calgary and the U.S. The assumption that the homeless have no family support.

That may not entirely be the case. The Institute of Marriage and Family Canada recently interviewed residents at the Ottawa Mission, a local homeless shelter, about the level of contact they maintain with their closest relatives. While the sample size was much smaller than the city-wide survey, the results are intriguing: 12 per cent said they had regular weekly contact with either their parents or siblings.

"It was quite a surprise," says Peter Jon Mitchell, research analyst at IMFC. "We expected to find a huge disconnect between the homeless and their families. To discover that a third of them had regular weekly interaction seemed like a big number."

Discovering the strength of the connection between families and homelessness—whether contact is a sign of rehabilitation, rehabilitation or simply past regret—is a topic for further research, says Mitchell. "Given the very difficult situations, there seems to be a deep desire or longing to restore lost family relationships. Now we'd like to know why?" ■

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JOHN MCCAIN ON THE BAGHDAD TRAIN

The GOP candidate is staking all on the issue of Iraq and security

BY LAURA CIL SAVAGE • In a 1990s Iraq-quer-hallucin' Milwaukee/Asian-stepped south side, several hundred faithful Wisconsin Republicans have dressed up in blazers and pumps and paid \$15 per couple to dine on red, white, and blue jelly beans and platters of deep-fried cod. The Milwaukee County Reagan Day Dinner at the home of "the world's largest fish fry" begins with a prayer blessing "the great democracy that is America," followed by a solemn hand-over-heart recitation of the Pledge of Allegiance in front of a Star-Spangled Banner so large that it is almost wall-to-wall to the ceiling. John McCain, the senatorial senator from Arizona who finds himself on the cusp of setting the Republican party's presidential nomination only months after his campaign had been written off as defunct, is here to try to persuade these folks to support him, despite the fact that he has spent much of his 14-year Senate career taking positions that contradicted, well, the whole blessed point of voting Republican.

In the weeks before the Wisconsin primary, and days before the New York Times will drop a bombshell into his campaign, McCain's eligibility that, nearly a decade ago, unnamed former aides to the senator thought he was having a "romantic" relationship with an attractive, younger female lobbyist. That report will set off a furor—most notably at the time for offering some evidence for its front-page status. And it will help circle some conservative supporters around McCain—something the candidate has trouble doing on his own.

His challenge boils down to people like Cathy Green, a 50-year-old Milwaukee receptionist at a bright-red blazer and pearls, who rights as the wife for McCain to speak. "I think McCain runs on the wrong side of the same a lot," says Davis, noting that he'd partnered with Democratic Senator Ted Kennedy to craft legislation that would have allowed undocumented immigrants a path



to citizenship. "I feel it's extremely important we build a fence on the Mexican border and stop the flow," she says. "McCain is not necessary. Why should we even bother with laws about entering this country if they're not going to be enforced?"

To that immigration, the could have added a litany of complaints that have led some conservative Republicans to call the Vietnam War hero a traitor to the party—and made his emergence as the front runner all the more stunning. McCain was one of only two Republican senators to oppose George W. Bush's first tax cut in 2001, and one of only three to oppose the 2003 cut—the first one because he said it mostly helped the wealthy, and the second because it came at a time of war. He fought to outlive immigration legis-

lation in the war on terror that the White House called necessary, but that he called tortious. He put his name on campaign finance reform legislation that conservatives say violates free speech, and was a lead sponsor of gun control legislation. He split with his party over drilling for oil in the Alaskan wilderness, and flew to Antarctica, demanding action on climate change. He helped Sen. Dennis DeConcini preserve the ability to filibuster the confirmation of Bush's judicial appointees. It's all enough for professional conservative provocateur Ann Coulter to declare that McCain is the nominee, she'll vote for Hillary Rodham Clinton.

When he finally takes to the podium 45 minutes late, the white-haired, 71-year-old McCain is wearing a blue and red striped

tie and dark jacket that is identical to that worn by a younger-looking Ronald Reagan in the full-length portrait hanging behind him. As for most of his audience in one corner, that's where the microphone cack. "I have a hard time supporting the Iraq war," admits Beau Sanders, a 23-year-old engineer. But then he proceeds to say something that offers a glimmer of hope to the Arizona senator—and forecloses the strategy McCain will likely bring to bear against the Democrats now that the upset over the New York Times story appears to be subsiding. "This is the one I find I am most comfortable with on the national security issue."

For the past few months, it has been possible to spread Republican rallies and not hear much about the Iraq war. Former Massachusetts governor and GOP McCainite who had no national security experience, preferred to talk about the economy and family

instead with conservatives by promising to make Bush's campaign permanent, explaining that allowing them to expire would amount to a tax hike. He offers no cost issues for conservatives and the middle class, to hold the line on government spending, and to secure the border before reforming immigration rules. But more than half of his speech is dedicated to the war and national security. "I am running," he declares, "because I believe we face the transcendent challenges of the 21st century, which is the struggle against radical Islamic terrorism—one of the greatest evil that this nation has ever faced. It's an ideology that is warped and evil and wants to destroy everything we stand for and believe in."

☆☆☆
FORGET THAT NASTY NEW YORK TIMES STORY. IN THE WAR ON TERROR, I WILL NEVER SURRENDER.



MCCAIN CAMPAIGNING with his wife, Cindy, and daughter Meghan in Florida (left), in South Carolina (middle), and in New York City

values. Mike Huckabee, the former Arkansas governor, never failed to tell about thinking about the IRS or amending the U.S. constitution to reflect God's will, and was capable of putting on an earnest appearance without once mentioning the war Iraq. (When asked about this by MSNBC's Huckabee had there were at least 20 issues he didn't have time to get to. At least he was made that top 20.) That McCain is settling on the question of national security—and specifically the war in Iraq—is the one issue he can most credibly and successfully rally his party around. His acceptance will all but guarantee that Iraq will be a central issue for voters come November.

When McCain launches his full-throttle speech in Milwaukee, he begins by trying to make

me. I want to look you in the eye and tell you, I will never, ever surrender. They will." Hillary Clinton has pledged to begin reducing troop levels in Iraq within 60 days of taking office. Barack Obama has said he'll have all combat troops out of Iraq within six months. McCain is making his political focus and that of his party on the opposite. Not only will he not see any timetable for withdrawal, he has said he'll be comfortable if the U.S. kept a military presence in Iraq for "a hundred years." He has already given CNN anchor Larry King a taste of the rhetoric he'll use at the Democratic "Bush Senate Obama and Clinton want to set a date for withdrawal. That means Clinton. That means genocide." In Milwaukee, he adds, "al-Qaeda

could say it had defeated the United States of America."

It's an enormous gamble for the Arizona senator—especially considering opinion polls showing a clear majority of Americans now skip the Iraq war was not worth it. But it's a gamble that McCain has made before. Only a year ago, he was an outspoken supporter of the Bush administration's military "surge" in Iraq—a buildup of 30,000 additional troops as the polls suggested 60 percent of Americans opposed an increase. While the pundits wrote his political obituary, McCain was countered. "I would much rather lose a campaign than lose a war," he said. Now he's gambling he can win both.

So far, so good, he says. He is headed for his party's nomination, and the surge, he argues, has succeeded. "The central battleground in the war on terror is now Iraq, and contrary to what some will tell you, the surge is succeeding," he says. He notes that in Baghdad, thousands of people filled the streets to celebrate New Year's Eve. There was a five-mile parade in the city of Mosul, which "a year ago was a free-fire zone." And, McCain adds, "In case

you missed it a few days ago, the Iraq parliament passed a law recognizing reconciliation, and by the way, they passed a budget—something we can't do in Washington."

Of course, the success of political progress the military escalation has brought is debatable. In that appeal, McCain is not above pulling heartstrings. He tells of the military room he met in New Hampshire who gave him a bracelet with her 13-year-old son's name engraved on it. He had been killed in combat outside Baghdad before Christmas. McCain says the old man, "you promise me one thing, and that is to make sure you will do everything in your power to make sure that my son's death was not in vain." He adds, "I want to be grateful to take on this challenge."

It helps that national security has his blood. He is introduced at the Milwaukee dinner by former Bush cabinet minister and former Wisconsin governor Tommy Thompson, who remarks the audience first McCain's father was an admiral, as was his grandfather. Of McCain's seven children, one is Marine who has recently returned from Iraq, and another is enrolled in the U.S. Naval Academy in Annapolis, where McCain was rebellious and graduated fourth in a class of 1997. The young, hot-tempered McCain asked to serve in Vietnam as a Navy pilot. On his 29th birthday, minutes in October 1969, he was shot down, injured and captured. He spent 5½ years as a prisoner of war, returned to the brink of death, but repeatedly demonstrating courage. He came back with a broken body. "So this day, can't raise his arms over his head."

In his speech in Milwaukee, McCain doesn't bother of his war record—he picks him up at 11:30 would remind you that it doesn't take a

And so the Milwaukee audience must cheer to believe McCain when he declares that, "If there are no follow-up to the gates of hell, I will get Osama bin Laden and bring him to justice." Someone shouts, "Thank you," and the room jumps to its feet in a standing ovation, his biggest applause of the night.

The other part of McCain's pitch is that had he been in charge, the war would have been waged better. McCain long called for a greater troop deployment to Iraq. For a while on the campaign trail, he even issued that

★ ★ ★ THE TIMES' STORY DID WHAT MCCAIN COULDN'T: IT RALLIED CONSERVATIVES AROUND HIM



lot of pain skills or take me to get shot down. I was able to interpret the audience to sit still with my own plane. (...) The room falls reverently there as he tells stories of the losses of other prisoners, all the while dutifully reminding the audience of his own ordeal. He recounts the tale of a fellow prisoner named Mike Chrisman, who used a crude bamboo pencil to secretly sew an American flag inside his prison shirt—until one morning when it was found out and bravely burned for his efforts. That night, McCain recalls, just as he was lying down on the concrete slab he was forced to sleep on, he saw the same young man, his face bloodied from the beating, clamped his hands holding another crude bamboo pencil to begin his flag again. The audience gasps the point about sacrifice and patriotism—and also the point that John McCain can talk about things like sacrifice and patriotism because he spent years struggling in that concrete slab.



THE CANDIDATE with California Gov. Arnold Schwarzenegger, and with Richard Meese as a returning Vietnam War hero

he had been standing up to the Bush administration and had called for the corner of former defense secretary Donald Rumsfeld. (This campaign has had no doubt that this was an exaggeration.)

While the decline in Iraq violence has complicated the political picture, there is no question that McCain's message gives Democrats an enormous political opening. The party has already made considerable selling: an McCain's statement that U.S. troops could stay in Iraq for 100 years. Clinton and Obama are also beginning to try to prove McCain's maverick image and his appeal to independence by painting his war courage as merely a third Iraq war, as to Clinton put it in one campaign stop, simply "an act of the same."

But for now there is no doubt that the Iraq

war is helping McCain write his frustrated party behind him. Chuck Cantor, 42, a construction worker from the Milwaukee suburb of Wauwatosa, arrived at the party dinner armed of the sentence "McCain is the purest proof of the war is not really a conservative," he says. But after he says him out, Cantor says he was more moved than he expected to be by McCain's Vietnam ordeal—and inspired by his words on Iraq. "I know people who have re-elected to go back to Iraq. They use these changing there. If we leave now, all the lives that have been lost will have been in vain," he says. Dressed, the microphone, anyone agree with McCain on Iraq and will support him, despite his other policies. "I think McCain is going to be strong on defense," he says. But as with conserving Republicans, Cantor is not a particularly strong endorsement. "I don't think I can count on him for anything else."

When the votes are counted, McCain is 55 per cent of the Republican primary voters in Wisconsin—including 48 percent of those pulling their votes conservatives. By the next evening, the New York Times story is posted online—transforming the campaign narrative for a spell. McCain's conservative critics such as Coulter and Rush Limbaugh turn their fire against the newspaper. The campaign is able to use the article to make money from the party base. "The New York Times... has shown once again that it can overcome good journalistic judgment when it comes to dealing with a conservative Republican," campaign manager Rick Warren says in a fundraising e-mail. The Republican National Committee sends a similar fax, taking supporters to help fight the "Obama's liberal media." As conservatives talk about how Glenn Beck observes, "the New York Times is doing what John McCain couldn't do: rally support for John McCain."

After a press conference categorically denying the allegations, McCain declares he won't discuss the subject further. This week, his bus back to his "tough talk" about Iraq. At a campaign appearance in Rocky River, Ohio, he goes as far as to say he must concede the reason for the Iraq policy is misleading. If he can't, "then I lose. I lose," McCain says. Suddenly changing his talk in getting a bit stronger than intended, he tries to hedge. "If I say, 'I'd like to retract my loss...'" he says McCain. But it's too late. His bag has been made. ■

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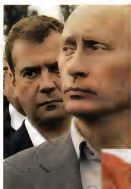
Will Putin's chosen heir play puppet or political rival once he's in office?

BY NANCY MACDONALD • On March 2, Russians will head to the polls to anoint Vladimir Putin's chosen heir, Dmitry Medvedev, as president, marking the end of Moscow's stage-managed political race. The Kremlin left little to chance, chasing off European election observers and dispatching putative opponents such as ex-chief guru Garry Kasparov and former prime minister Mikhail Kasyanov. Putin chose Kremlin Nikolai Lashin to be locked up in a mental hospital. There were debates, but Medvedev, a modest Gasprom executive who received flaring coverage from state-run media, didn't bother to show up.

In a telling campaign ad for the competition, says Henry Hale, a visiting Russian scholar at Harvard, a Russian (Shtetl) on the radio. Suddenly, the state's TV, radio and even Putin began blaming "United Russia! United Russia! United Russia!" Russia's ruling party. Turning to the camera, the star says, "Had enough? Vote for the Communist party."

In an ironic twist, the Reds have recast themselves as defenders of Russia's free-market democracy, calling on the Kremlin to institute a free press and genuine, multi-party elections. Indeed, in the recent parliamentary election, their highest vote share came from Moscow's university district, home to the intelligentsia—though some, like Moscow journalist Sergei Demokov, "hate" the more party meetings.

Of course, the party doesn't intend a change. Medvedev is polling at over 70 per cent. Communist top dog Gennady Zyuganov has hopelessly belabored, with a mere 16 per cent support. The potential loser, whose budding law rivalry ended since it peaked in 1996 at 40 per cent in an election fight with Leonid Yashin—is simply the least bad among the "law-beers, no-hopes and drunks," says Edward Lucas, eastern Europe correspondent for The Economist and author of *The New Cold War*, a book on the Putin era. (Pro-Kremlinist Andrei Bagdasaryan and oddball economist Vladimir Zhirinovskiy, famous for his public secretary Serj Ligin, are also running.) After



IN A TWIST, THE COMMUNISTS ARE THE ONES CALLING FOR A FREE PRESS AND MULTI-PARTY ELECTION

all, the Communists want to re-nationalize property and resurrect the party-state, says Nikolai Gerasimov, editor of *National Interest*, a U.S. foreign policy journal.

Instead, Russians will vote to drive for "Putinism"—that is, "making command of the economy, bringing down 15 trillion rubles of growth, six years of average six per cent growth and double-digit increase in real wages," says Cliff Kupchan, a Washington-based director at the Eurasia Group. To a population accustomed to stagnation, depression and bloodshed in large doses, the idea that tomorrow will be no worse than yesterday is attractive, says Lucas. But Putin, having enjoyed the courts, media and civil society in the name of stability, is exploiting this reality cynically.

He's killed Putin's game and led to March. The co-president may have turned out, but

he's not going anywhere; he plans to build out power by becoming prime minister. Kremlinologists are all over the board about what comes next. Legally, if the newly elected president leaves office—say, for "health reasons," or "to spend more time with the family"—Putin succeeds him, says Russian expert Thomas Kuczmarski, with Emory University. And, in the case of an executive rivalry, Putin is more to retain his tightly controlled command network. But grounds can shift—even for a popular outgoing president. A recent poll by Moscow radio station Echo Moscow found that a majority of Russians



PUTIN WITH MEDVEDEV, Medvedev (right), Zyruganov of the Communist party

think Medvedev—the wins—will eventually enjoy "more faith" among the populace than even Putin.

How long will the power transfer last? What gets to call the shots? What if Medvedev refuses to play the puppet? Would he defang Putin's old guard? In the words of a Russian proverb, "There are no facts, only theories." Putin's New Kremlinism appears as stable, secure and—thanks to the freckled increase in all parties—robust as ever. But, as in the Soviets, heavy intrigue is playing out behind the scenes. As there, the act of voting is a merely ceremonial reflection. The real choice is being made far from Russian eyes. ■



SAUDI ARABIA MOVIES COME TO THE DESERT

The devout Muslim nation has a problem to overcome with the announcement of its first film festival. It has no cinema, and movies have been banned since the 1980s. Back then, clerics banned films, a waste of time. Muslims, officials keep a festival will overcome religious opposition and foster a local film industry. In recent years, Saudi Arabia has managed to put out two productions: a social comedy, directed by a woman, and a documentary



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Has the room that was lost been found?

BY JORDAN THOM • A solution may finally be in hand to one of the great mysteries of the Second World War. A team of researchers has begun excavating an abandoned mine on the German-Czech border, which they believe will yield the missing piece of Russia's legendary lost Amber Room.

Built at the beginning of the 18th century, the Amber Room, a chamber lined with intricate semi-precious, gold leaf and mirrors, stood in the Catherine Palace outside St.



RUSSIA'S LOST AMBER ROOM: Victims take in a reconstruction

Petersburg. But the palace was captured during the 1941 Nazi invasion of the Soviet Union, and the chamber was dismantled and shipped to a castle in Königsberg. When it fell, the fortress was destroyed and the Allies suspected Germany, that Amber Room was never seen again. Some theories contended that it was evacuated on a U-boat that was torpedoed in the Baltic Sea; others held that it had perished when the Soviet stormed Königsberg, still others suggested that it was being used as plunder before the Ore Mountains, on Germany's eastern fringes.

Last week, those theories started to prove confounding. At the entrance to a cavern outside the hamlet of Deutsch-Wagram, Major Hans Peter Hassenrit and Christian Henschel—the son of a former Luftwaffe navigator who was part of the effort to hide Nazi loot in the war's darkest days of the war—declared that they were over 50 per cent certain they had finally found the Amber Room, thanks to a set of co-ordinates in one of Henschel's father's notebooks. Eleven-year gaps exist there that the underground chamber contains as much as two tonnes of precious metals. Hassenrit and Henschel's announcement has been received skeptically, if it's not the first to claim they've found Russia's lost treasure—but as digging begins, they'll learn very soon what exactly is hidden at Deutsch-Wagram. ■

Iranians are split over the 'Hidden Imam'

BY MICHAEL PETREBO • Iranian President Mahmoud Ahmadinejad, when making public addresses, is fond of citing an God to lessen the room of Mahdism at Mahdi, the 12th imam. Most Shia Muslims believe Imam Mahdi, also known as the Hidden Imam, is a descendant of the Prophet Muhammad, and was concealed by God and disappeared more than 1,000 years ago. He will return to save the world from injustice at a time of violent chaos.

Ahmadinejad's rhetorical habit caused a bit of a stir a few years ago when, after he addressed the UN in New York, a video of him concerning with a cleric surfaced on the Internet. In the video, the Iranian president claimed that during his speech, in which he asked God to bring back the Hidden Imam, he felt surrounded by a ring of light, the atmosphere in the mosque changed, and the leaders of the world were weeping to even him.

Ahmadinejad frequently urges Iranians to prosper the Mahdi's return. He collected millions of dollars to a mosque outside the holy city of Qom, where pilgrims drop messages to the Hidden Imam down a well. While some Iranians are uneasy about the fervency of Ahmadinejad's beliefs, high-level clerics have been cautious—until now.

Earlier this month, Hassan Rowhani, Iran's former nuclear negotiator and leading cleric, criticized what he described as games, speculations and trickery that he said robs the Iranian people.

Rowhani did not mention Ahmadinejad by name, but it is clear he was the target of the remarks. Rowhani has criticized Ahmadinejad in the past for pursuing policies he said were unifying the world against Iran. But this is the first time he has spoken against the president's apparent preoccupation with the Hidden Imam. His comments highlight a division between many Iranian religious scholars, who are uncomfortable with the growing devotion among Iranians to the Mahdi, and Ahmadinejad, who is not a cleric. ■



CRITICS ARE DECRYING THE PRESIDENT'S 'TRICKERY'

Wanted: a place for sex and studying



STUDENT UNIONS in France are demanding more campus housing

BY PATRICIA TIERBLE • Determined to raise a large chunk of the new money being splashed around by French President Nicolas Sarkozy to student housing, one of the country's largest student unions, UNEF, launched a daring media campaign. The posters showed two male students making love in the middle of a bed shared by a sleeping woman and child. It stirred reactions from across Europe, with Germany's Der Spiegel's story titled "Howles over couples and their parents?" The message was clear: a chronic shortage of campus accommodation means that many students have to live at home and attend local universities.

Last July, Sarkozy's government admitted that French universities are slipping in international rankings, campuses are decaying and an outdated government bureaucracy has stifled innovation to the extent that campus libraries aren't open evenings. In addition to increasing spending by \$7.5 billion by 2012, Sarkozy wants to overhaul the whole system. But much of the criticism's attention has been focused on the housing issue.

According to UNEF, in 1964, half of all students had academic living quarters; now the percentage is just seven per cent, as is a million students live for 156,000 rooms. Two weeks ago, French Higher Education Minister Valerie Pécresse announced 1930 rooms to provide 5,000 new rooms by 2012, plus the renovation of 11,000 existing rooms. To ease some immediate pressures, Pécresse agreed to "university-owned housing" that matches up students with senior citizens who have spare rooms. Real-estate leaders, however, are concerned that the measure isn't enough, especially since Sarkozy waxes half of France's youth to earn a university degree. So UNEF might have to do up another cheeky poster. ■

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NEW SHERIFF IN TOWN

Jim Flaherty will fight for a national market regulator. But is his tough talk getting in the way?

BY COLIN CAMPBELL



Just days before releasing their independent budget of this spring, Finance Minister Jim Flaherty will find himself at work on what has become his own personal crusade. With Parliament Hill consumed by both election speculation and the showdown between the Conservatives and Liberals over Afghanistan, Flaherty quietly named a panel, to be led by Tim Horan, a former president of the Investment Funds Institute of Canada, and tasked it with recommending how to improve Canada's marketplace for pooling the markets. Though it didn't explicitly say so, the panel's real mandate is much more controversial: lay the groundwork for legislation to set up a single national market regulator—one that would save business the time, money and headaches of operating under a multitude of different provincial rules and that might finally win away Canada's international reputation as a haven for scamsters, insiders and sleazy financiers. Just as importantly, Flaherty has now signaled Ottawa was step closer to a major showdown with the provinces—a fight that may define his legacy in politics, for better or for worse.

Last week, the notion that Flaherty might ratchet in as the second resort to many on Bay Street. Flaherty spent the better part of his career as a lawyer fighting against the nation's 13 different regulators, calling the system everything from fragmented to an "enfer-

mumery." If his intention was to silence that idea by accepting a national regulator, it backfired. The provinces and territories are doing just what they can to avoid control of their regulatory affairs by Ottawa, or worse yet, the powers that be on Bay Street in Toronto. Flaherty may have fired up the passions of investor advocates, who've long demanded a national regulator, but on this issue, relations between Ottawa and the provincial capitals have never been worse. Asked last week if there was any chance a deal might be struck, Quebec Finance Minister Mario Desjardins bluntly said: "Never. It is that clear?"

But the naming of the panel confirmed what those close to Flaherty have been saying for months: that he is going for a fight and is committed to doing whatever it takes to run through provincial objections and create a regulator capable of doing up on his bluff as Canada's capital markets. Flaherty is said to have been studying the constitutional law on the subject, and it is revealed that Ottawa has a legal right to regulate the markets. He has made it clear that he does not want a centralized, one-size-fits-all approach. The expectation is for a quick eight-month study that will lay out exactly what a single regulator should look like and how it will work.

Still, amid all the tough talk in Ottawa and intergovernmental wrangling, the provinces, industry observers say that a historic bargain may

yet been the cards—one that might avoid a messy confrontation and still manage to bring Canada into the big leagues of financial regulation.

LAST WEEK'S REPORT from the International Monetary Fund landed as an embarrassing yet familiar rebuke of Canada's capital markets, like a schoolmaster sending a slow learner, disbeliever home. In an otherwise glowing review of the country's banking system, the IMF's headline "weak" financial enforcement of markets here and the need for a single regulator capable of tackling increasingly complex investigations over sophisticated cases of financial dishonesty. The message was nothing if not familiar—these concerns have been around for 75 years now. Time and again, independent reviews and reports have said the same thing—Canada's patchwork system needs to be more efficient and better policed. As a former governor of the Bank of Canada, David Dodge, famously described it, Canada has a reputation for being the "Wild West" of the world's financial markets, and the endless debate over how to reform the system has paralyzingly far behind international best standards. "While we talk about it, the world is catching up," says Edward Whelan, a former head of the Ontario Securities Commission and lawyer at Stikeman Elliott in Toronto.

setting should have been a harbinger of the meeting's do-or-die agenda. All the positions now for Ottawa were adamantly opposed to Flaherty's plan. But the minister would not be easily dissuaded.

Less than two weeks later, Flaherty appeared at a conference at the University of Toronto and delivered one of the most biting criticisms ever by a public official. "There is a perception that Canada's system is not performing well," he said. "That's two messy branches of rules are not being prosecuted in Canada." If nothing else, Flaherty's blunt and consistent message has convinced many on Bay Street that he's sincere. "I think he's very well-meaning and

let's face it, he's a very experienced politician," said one Ottawa insider who spoke out on a higher position of leadership over the economy and capital markets. "There's a very solid recognition at the highest levels that this matters and has to be dealt with," says a senior Finance official, who spoke as the condition his name not be used. Even opponents of the idea acknowledge the seriousness of the path. Says Quebec's Jacques Forget, "I'll be very blunt. I think Ottawa wants to be involved, wants to take over."

And if Ottawa does want to take over, there are plenty of constitutional experts who believe it has the authority to make it happen. This scenario was looked at by the War-

RENMENTY and Crawford (above) are insistent, but provincial ministers like Jérôme-Forget (bottom) won't back down.



Peace Conference in 2005, which studied the constitutionality of such a move. Three preconditions for this scenario could be done. Under the Constitution, the federal government has the power to oversee trade and commerce. And in the event of federal law conflicts with provincial legislation, federal law prevails. Third, the courts have recognized that for decades the provinces' jurisdiction in this area and there's no clear precedent to strip them of such powers. Experts say a fight over a national regulator wouldn't be easily resolved. In fact, it would likely have a steep political and economic cost, for which there is little appetite these days. "There'd be a fight, a lot of market uncertainty, a lot of market dislocation," says Ian Russell, president of the Investment Industry Association of Canada. "We have enough to contend with in the capital markets as it is right now." Few are convinced that Ottawa would go so far simply

RELATIONS BETWEEN OTTAWA AND THE PROVINCES SEEM TO BE AT A LOW POINT. ASKED IF THERE MIGHT BE A DEAL FOR A FEDERAL REGULATOR, JÉRÔME-FORGET WAS BLUNT. "NEVER. IS THAT CLEAR?" SHE SAID.

The length of high-profile scandals, from the X-Act Nerd to dozens of smaller ones over the years, has given foreign investors plenty of reason to suspect Canada's public work system looks cluttered and the resources to fight white-collar crime. Critics say it's like riding on a discredited sheriff's department to prosecute sprawling crimes that sometimes play out all over the world. But provincial regulators argue the system isn't nearly as flawed as it's made out to be. Dennis Smith, chairman of the New Brunswick Securities Commission, is one of the more passionate defenders of the status quo. "We know the geography," he says. "We know the people and the challenges of entrepreneurs and businesses here." Why, critics will have asked, ever to a big national organization that only deal with Bay Street?

While previous governments buckled at the pressure and opted to wear down, Flaherty is the first finance minister to tackle a head-on. His first big step into the newly warring of securities regulation came last June, when he convened all the provinces to a meeting at Meach Lake. Perhaps the choice of



very serious and concentrated cost," says David Crawford, a lawyer with Osh, Bosson and Hertzog, who chaired a 2003 study advocating a common regulator.

What remains less clear is just how much support he has in his own back. Prime Minister Stephen Harper. There is little political capital in the issue—for the average Canadian, talk of securities regulation is more a cure for insomnia than something to take to the streets in protest over. And it hardly ranks as a subject over which a government would want to open a constitutional war with the provinces.

everyday. When the finance industries, there is a pervasive sense of fatigue and defeat in understanding a national regulator. It's hard to argue against doing another "fix," but it doesn't get as over the horizon," says Whelan.

A more likely endgame is that Flaherty will use the panel's findings as a strong bargaining tool to win some hammer-saw deal with the provinces. The provinces are, as yet, and, closer together than they appear to be. In recent months, all of the provinces and territories except Ontario, which supports a common

PHOTOGRAPH BY

PHOTOGRAPH BY

NORTH LAKE Flaherty (right), with Denine, head of securities regulator in his own regulator, have been working on their own reforms, called Passport, to reunite the rules and regulatory. The agreement, which takes effect on March 12, is widely seen as a huge step forward—an acknowledgment of the province that things need to change. Among Flaherty's allies it's being viewed as a stepping stone toward a common regulator. While the provinces and territories argue that Passport makes a national regulator unnecessary, without the support of Ontario, which has by far the largest and most important securities regulator in the country, it is not possible. "The reality currently is that practically speaking, the Ontario Securities Commission is the dominant regulator in Canada," says Janet Salter, securities lawyer



THE PROVINCES HAVE AN ECONOMIC AGENDA WITH OTTAWA, SAYS RUSSELL. 'THERE ARE THINGS THEY WANT' WHICH MEANS A DEAL COULD BE WRAPPED UP IN A BIGGER AGREEMENT ON EQUALIZATION AND TAXES.

at Delor who worked on the Crawford Panel. "If that's not what you want to see, that's what you get right now."

If there is to be any deal of the other larger provinces, like Alberta or British Columbia, to go one step beyond Passport and opt into whatever system the federal panel creates, the momentum would be there for a common regulator, says Russell. There has, at various times, been support at the higher levels of several provincial governments. "The real resistance to change is down the ranks," says Crawford. At recently as last summer, Alberta's former finance minister Lyle Oberg spoke out in favour of a common regulator. But the idea was shot down by Premier Ed Stelmach. British Columbia is said to be warmer to the idea than it is on publicly known Flaherty, despite the war of words between Flaherty and Justice-Forgo, should be written off, says Russell. "It has shown itself very far-reaching on a list of economic and financial policy." The Quebec government's lack of opposition to the proposed merger of the TSX and Montreal Exchange was by many an order of this warner streak.

But the real game to get a deal done, as always, is clearly the money. It's not always clear that it's a price tag to attract and every province and territory into joining a national regulator. "The provinces have an economic agenda with Ottawa," says Russell. "There are things they want." In some smaller provinces, like Nova Scotia, regulators raise significant revenue for public affairs. They may agree to fold into a common system, but only if they are compensated for their loss of

income by Ottawa. Other provinces could well be tempted to accept a common regulator if it is somehow packaged as part of a larger federal provincial deal, whether over equalization, taxes, or even health care.

Even that a national regulator would be dominated by Central Canada could also be relatively easily accepted. The Crawford report, released in 2006 and which the federal panel would likely build off of, was careful to take into account these concerns, outlining how regions in Africa and staff could be maintained in a common system. Indeed, the headquarters couldn't be in Ontario, says Crawford. Why not, for instance, Montreal? Ultimately, some element of provincial jurisdiction will almost certainly remain under a common regulator. "That's the nature of Canada," says New Brunswick's Smith. "Even with all the proposals being talked about, there is connection and a requirement that the provinces be involved in some capacity."

The hope is that whatever blueprint the new federal panel comes up with, it will provide the spark that's missing to get negotiations rolling again. "I think you need to put a stone into a place and see what it would look like," says Nancy Hughes-Atkinson,

president of the Canadian Bankers Association, a proponent of a common regulator. "At the moment there's more momentum than there's ever been."

With all this talk about compromise and momentum, perhaps the toughest question now centres on Flaherty himself. Is the champion of federalism an obstacle to it? Flaherty's fight with the provinces has ruffled signs, and his long-term diplomatic methods have badly undermined his cause, say supporters and critics alike. "He has polarized it. Any time a senior cabinet minister who's staying in his comfort zone as the director of the matter starts pushing an issue hard, the provinces get their backs up about that," says one proponent who has been heavily involved in the push to create a common regulator. "It's not helpful," says Smith. "It makes it very difficult for regulators, and I suspect for provincial ministers, to respond in a constructive way and in a consensus dialogue."

Perhaps that's why, in recent weeks, Flaherty's public remarks against the current system have all but disappeared. Even the long-awaited announcement of the panel's work was made without fanfare and at a time when all signs were on his budget. And at a time when he is facing the reality that the system he is running is really, finally being made.

With Andrew Fitzpatrick

The new economics of selling pro sports



STEVE MACHIN

Players began referring to Major League Baseball's spring training camps last week, negotiation for the annual rules of summer. Any day now, fans will begin to pursue the schedule and start thinking about spring afternoon at the ballpark. But those who haven't been paying close attention will be surprised to notice that over the past few years, something important has changed in the business of baseball, and the changes are quickly spreading to other sports, too.

Ever since baseball began flailing into collapse to watch gladiators do battle, promoters have known that some seats are more valuable than others. A spot down front in the heart of the action will typically cost more than a seat in the nosebleeds. This is known, in the promotion business, as "seating the house." But for a long time—hundreds of years, in fact—the house in ball promoters was willing to go in on seating with the economics of seatwork.

In pro sports, their reliance was based on simple but misguided thinking. Many teams were foolish to advise an obvious truth that fans have known forever: some games are better than others. Teams stubbornly clung to the notion that the home team was the product, and therefore charging less for some games than others would devalue the sport and put downward pressure on prices. And so, for years, a seat behind the plate typically cost the same in August as it did in April. This led to no economic price discovery that was exploited by scalpers, who made a killing by charging some things above the true market value for sold-out events.

But, about 10 years ago, ball club seats started to get wise, and realized that every dollar above the ticket's face value that was in the pocket of a scalper was money the team could have, and should have, collected if it had an efficient pricing model. Teams started to realize that each and every game was a unique product unto itself.

In 1996, the Colorado Rockies became the first baseball club to take the leap—betting that they might get a speaking message and get more fans into the stadium by giving a position for some games by doing something others. It was called variable ticket pricing, and it meant that the Rockies were

no longer just "scalping the house," they were "seating the schedule."

Initial results were promising and the idea spread fast into all major pro sports except NFL football (where most stadiums are jammed every week anyway). Small market teams were especially eager. The Buffalo Sabres hockey club, for example, knew that weekend games against the Toronto Maple Leafs and Montreal Canadiens were always packed and collected a lot of extra income. That mid-week contest against weaker teams were often played before thousands of empty seats, by adjusting prices a few years ago, the Sabres



Teams now admit a simple truth: some games are better than others

were able to boost attendance, attract new nonseasonal fans, and even raise revenue from local fans who came streaming from the locker a few times a week.

It has since become clear that the economic benefits of the model were even greater than first expected. In 2006, researchers from the U.S. universities looked at baseball seat use over time from 1996 and found that every franchise would benefit from seating the schedule. These results, published last year in the *Journal of Sports Management*, showed that fan

ticket demand by \$100,000 per seat (equivalent to \$172,000 today). Teams would have much more to gain. The Cleveland Indians, for example, could have loaded in an additional \$1.4 million. And even sports, where profit margins for most teams are much thin, an extra million or two can make the difference between success and failure.

Major League Baseball says that roughly two thirds of its teams are now using some form of variable ticket pricing, and more come on board each year. But there are caveats. For one thing, fans aren't crazy about it, especially at first, because it introduces an element of risk into the transaction. For example, earlier this season the Toronto Raptors basketball club was playing host to the Cleveland Cavaliers and their superior forward LeBron James. The game had been priced at a premium and sold out quickly. The trouble was, when Cleveland got home, James was injured and couldn't play. As one angry fan who rode on a Raptors' bus said, it was like paying to see Gladys Knight and the Pips, and only the Pips showed up.

But all indications are that the economic benefits of seating the rules of seasonally promoting your supporters. Indeed, it would seem that pro sports has a lot further to go in exploring innovations in fan service. Thanks to computerized ticketing systems, teams are now in a better position than ever to gauge shifts in demand, just like airlines and hotels do, and price accordingly.

Vince Germino is a consultant to pro baseball teams, and argued in an article last summer for the Montreal Expos that club owners don't do nearly enough to maximize game revenues. He advocates a day in which merchandise giveaways, fan parking, matchups, milestone games, even food vendors are integrated into a flourishing ticket price.

The national end point is a scenario in which you'd have people going online and checking a quote for a particular game on a particular day, and then go to watch the game. Sure, this will be more grinding—especially so fans realize that the guy sitting next to them might have paid a much different price for the seat than they did. And every once in a while they'll pay more than \$100 and only get the Pips. But if history is any guide, we think we'll get used to it and the industry will be healthier for it.

It's anyone's guess how long all this will take to play out. Team owners are notoriously cautious about change. But there's money in it for those who try to, so you can be sure of one thing: the days of merely seating the house are over.

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LOYAL EMPLOYEE REWARDED WITH A GAROYLE
For 30 years of service to Bayfield's Lincoln Cathedral, workman Stanley Bayfield is to be honoured by the church (Bayfield, whose jobs include locking and unlocking the cathedral each day, will be immortalized in a carved stone garoyle on the cathedral's front). The entire high-line stone garoyle Bayfield's face and certain legs and a little bit. "I think that my career will be up there for 500 years," Bayfield says, "a really amazing"

COLLEEN HARRINGTON

WILL EVANS

NICKLAKE HARRIS

Board games move to the big screen

BY JORDAN YIMM • In the early '80s, the board game *Trivial Pursuit* went from indie phenom to Canadian creation to worldwide sensation. But now video games outstripping their cardboard counterparts by a factor of seven to one—and with the entertainment industry growing over more companies—the game's publishers have had to find new ways to get it into homes.

Trivial Pursuit: American Players is coming to television screens across the U.S. this September, the result of a deal between America's



"TRIVIAL PURSUIT," the game show, hits TV screens in September

second-biggest toy manufacturer, Hasbro, and Geographic Entertainment's TV syndication line *Reeltime*. *Trivial Pursuit: American Players* will get viewers involved via Internet video-sharing websites like YouTube, and first it has already been aired in almost 90 per cent of America's TV markets with deals for the British and Spanish markets on their way.

The *Trivial Pursuit* venture is just one facet in Hasbro's latest push to get some of their more august properties out of the parlour. They successfully lifted off their *Transformers* toys for last year's cinematic makeover with G.I. Joe up next—and the company has just announced a new strategy, five movies and with Universal Pictures that will produce Hollywood adaptations of classic board games like *Candy Land*, *Clue* and *The Game of Life*. *Vibe* reports that Gladstone and American Greetings director Willy Scott is already at work on a big-screen adaptation of the game *Monopoly*.

The toy company has also partnered with Electronic Arts in developing digital adaptations of its properties, and with Atari, which shows the rights to *Scrabble*, they have taken action against the popular but unlicensed Internet knock-off *Scrabble*. Paced with the need to update their brand for the 21st century, Hasbro has learned to roll the dice. ■

Bright lights, free drinks, empty rooms

BY JASON KERRY • They say the house always wins. But what about when the battle rages on the house? Or on thousands of houses? That's the ugly situation playing out in Las Vegas, where many homeowners and at least one casino developer are in serious financial trouble. Vegas once boasted it was recession-proof, but after a terrible run of bad luck, some in Sin City are wondering how much worse things are going to get.

During the American housing boom, Vegas was one of the hottest markets in the U.S. It was also the epicentre of the subprime mortgage industry, in which anyone with a heart beat qualified for a loan. So it's no surprise Vegas now leads almost every other city in falling house prices. According to RealtyTrac, 22,100 Vegas homes are in foreclosure at the moment. Even on the Strip they're hurting—last month the developer of the city's billion-dollar MGM CityCenter casino defaulted on a loan and is at risk of foreclosure.

The bad news has kept coming. An FBI study suggests the city is struggling as the mortgage-fraud capital of America; experts are dramatically selling back their projections for how many new hotels will be built in Vegas in the next few years, and in late January a huge line snaked through the lower floors of the Monte Carlo casino. The first shot the barrel for nearly three weeks at a cost



SUDDENLY Las Vegas doesn't seem so recession-proof anymore

of US\$900 million. But the first shot exposed a more troubling reality for Vegas's casual-love-for-business. Even with the Monte Carlo's 1,000 rooms a *Wynn*, visitors had to trouble finding somewhere else to stay. The official tourism figures for January aren't available, but as America's economy falters, casino executives are biding their time. Las Vegas is no longer recession-proof, casino mogul Steve Wynn told investors recently. Just because "monsters" ■

Inside the \$10-billion death market

BY JARED HOFFERKALA • These days, when a television tries to tell Americans senior citizens life insurance, there's a chance a total stranger intends to be the beneficiary. These "invaders" take advantage of a lack of U.S. laws that prevent them from making speculative investments on seniors' lives. Known as "stranger originated life insurance," or *STOLI*, these policies are sold to investors who buy them at a discount of, say, 50 cents on the dollar payoff. They then wait for the senior to die and



MACARRI 'investors' pay the elderly to take out life insurance

collect their windfall. Although highly lucrative for investors—and to avoid a reputable Wall Street firm for the U.S. insurance industry, it's a growing worry.

Involved in the problem is, according to one California legislator, a US\$10-billion industry. State Senator Mike Macarrini warns that over the next 10 years, U.S. insurance firms may be on the hook for US\$200 billion in *STOLI* payouts. In most cases, brokers sell *STOLI* to the senior on an what's going on, and offer them instant payouts, depending on the size of the policy. Some have received US\$120,000 simply for signing their names to *STOLI*. But crooked brokers often misrepresent *STOLI* as life insurance that "saves" for which seniors receive money now. Before the senior knows what's happened, the policy's been sold into the secondary market, a practice known as "week-end deals."

California and Indiana began hearings last week with an eye to banning or limiting, following in the footsteps of Canadian jurisdictions. Ken Sanderson, director of policy holder research and pensions at the Canadian Life and Health Insurance Association, says there have been no lawsuits in Canada/Canada, thanks to a web of securities regulation and laws that prevent so-called "misleading life insurance." Most provinces have specific legislation outlawing such deals and the others, including New South Wales and Alberta, are considering making the schemes illegal. ■

PROTECTING YOURSELF AGAINST Fraud



Fraud is on the rise

Every few seconds, someone in Canada is a victim of fraud. The cost is high—over \$2 billion a year, according to Statistics Canada. But this figure is just an estimate because fraud is "significantly under-reported," says Inspector Barry Baxter, Officer in Charge, Counterfeit and Identity Fraud, RCMP Commercial Crime Branch.

Fraud is a growing industry and crooks are constantly finding new schemes to get unwitting consumers from their hard-earned money. Moreover, as we rely more and more on the convenience of technology for our financial and social needs, we are also opening up the door to new threats. The globalization of crime is yet another factor in the rise of fraudulent activity. Today a fraud ring may be based out of several countries, making it difficult for law enforcement agencies to pinpoint the activity of one location.

Add to that sophisticated and tech-savvy criminals who know how to stay one step ahead of the law and catching the perpetrators is that much more difficult.

Identity theft, tax evasion and other new-age types of fraud have become big business for organized crime, says Inspector Baxter. Compared to drug trafficking, it's a high return and low risk. That's why we're seeing more credit and identity card cloning, "phishing" and "spoofing" and Internet crime.

As well, the technology used to harvest victims is evolving at such a rapid pace, he says, that law enforcement agencies and financial institutions are forced to play catch up.



Identify theft: It's all too easy

Perhaps the most worrisome type of fraud is identity theft, estimated in Canada at \$16.2 million in 2006. An Ipsos Reid survey in 2006 found that 71% of Canadian respondents were concerned about the fact that their identity may be stolen and used for fraudulent means by criminals.

Stealing a person's identity is surprisingly easy, says Inspector Baxter. "I wanted to be you. I could do it in just one day." All the thief needs to do is begin to acquire some basic vital information about you: his name, your address, date of birth, social insurance number, and mother's maiden name. At that point, the thief can take over your bank accounts, open new accounts and transfer balances, and apply for credit cards and loans. And yet, while the victim's life is turned upside down by identity theft, says Inspector Baxter, in reality the value of their stolen identity is worth very little. On the criminal market, where the assets are valuable, the full identity itself might fetch only \$20, while a stolen credit card can be bought for as little as \$2.

One of the worst things about identity theft and fraud is the cost to society, says Inspector Baxter. "When people lose their life savings to fraudsters, they can become a burden on Canada's social services network. That's why we all need to educate ourselves about fraud and always be aware that the bad guys are watching." ■



Peace of mind: priceless

Thanks to Zero Liability which ensures you don't pay for unauthorized purchases, the online shopping protection of MasterCard SecureCode™ and, soon, the added protection of Chip card and PIN technology, you can always feel safe. No matter where your MasterCard® card might be, mastercard.ca



Such organizations as Phone Busters and ScamBusters are trying to do just that — educate the public about the dangers of telemarketing fraud. ScamBusters, an offshoot of PhoneBusters, contacts family members, local police agencies and other about connections, and gives the owners the tools needed to effectively fight telephone fraud.

Lately seniors are particularly vulnerable to telephone scams, says Inspector Bostor. Often an unsuspicious telemarketer gets friendly with a senior over a number of calls, gaining their trust and telling them what bogus investments, fake lotteries and sweepstakes schemes.

Social networking websites are another area that is ripe for potential fraud and information theft, says Inspector Bostor. "You don't always know who you're communicating with at the other end, so it's important to be very careful of what information you post online." The RCMP's online handbook for seniors recommends users leaving out full name, date of birth, home address, telephone number, social insurance number and anything that may be of interest to a financial or sexual predator. Users also need to be aware of the site's default security settings, which may allow anyone to view all of a user's personal information.

The federal government is taking steps to stem identity fraud with Bill C-27, which passed last Friday in November 2005. The bill makes it an offence to distribute or sell personal information and particularly social insurance numbers knowing that such information could be used to commit fraud.

Fraud's threat to business

Canadian businesses know that cybercrime is on the rise and the cost of making security breaches has increased some 95% since 2005. Yet fewer companies are making it security a top-five priority, according to the 2007 Pulse of IT Security in Canada survey done by security software maker Symantec Corp.

While Canada ranks as fairly low compared to other countries when it comes to spam blocking, malicious codes activity and bot infections, it still lags behind in Internet security threats from other countries such as the U.S. China and E.U. countries, the report says. Recently, several IT websites, including *InfoWorld.com*, reported that Russian cybercriminals have developed a so-called "backdoor" trojan that can be purchased online, complete with regular product updates and technical support. Malicious effects: a computer installing and spreading viruses, worms and spyware.

At the same time as these types of threats are on the rise, protection and defensive capabilities are evolving the less rapidly, according to 2007 Cyber Threats and Trends, a research paper by *WuSaps Cyber Security Intelligence Service*. As a result, the situation will grow much worse before it improves. "In terms of frequency, variety, sophistication, diversity and severity," the paper states, "the malicious use of information technology has passed a tipping point in its maturation curve, and now no segmentation in the developed world remains unaffected, much less safe."

Threats to business computer systems include botnets, which are collections of computers infected with malware. These botnets are

The top fraud schemes

Phishing: The fraudster sends out an email or instant message from what appears to be a legitimate entity such as eBay, PayPal, Amazon or an online bank. The message asks you to update the personal and financial information relating to your account. You are then directed to a fake site to enter your login and password information.

Vishing: This scam needs a hand in phishing. It uses Voice over Internet Protocol (VoIP) phones to steal user information. A recorded message says that your credit card has been breached and urges you to call a toll or regional phone number to verify your account. When you call the number, another message asks you to punch in personal information such as a credit card number, social insurance number or online banking password.

Smishing: This new threat makes use of cellphone text messaging capability. The cellphone owner receives a text message with a URL address. When they select the address, they download a Trojan horse. Credit or debit card skimming: A hidden camera is used to record your credit card details as it is being swiped. In a variation on this fraud, your cash is swiped a second time using a smaller, hidden device.

Prize Pitch: You get a call, email or letter saying you've won a grand package or prize. You're told that to claim your prize you must pay taxes or delivery fee with your credit card. If you have legitimately won a prize in Canada, you never have to pay taxes or fees to receive it.

Recovery pitch: This goes after victims of prior cash schemes claiming help in recovering your loss from a prior pitch. The telemarketer will pose as a police officer, government revenue employee, customs

agent or legitimate company employee and ask for a fee, promising to recover your prize or money.

Nigerian letter schemes: These letters are sent via email, word or fax to individuals or businesses asking for help with foreign money transfers in exchange for a percentage of the amount being transferred.

The letter writer often represents himself as a Nigerian government or military official, doctor or executive from the Nigerian Motion Pictureboard Corp. The fraud victim is asked to pay various expenses (legal, broker fees, shipping fees) and often over a period of time before the money can be transferred.

Real estate fraud: Mortgage title fraud occurs when a crook steals a homeowner's identity and transfers the property title to the fraudulent owner or broker, puts a mortgage on the property and disappears with the proceeds. The Ontario government passed Bill 152 in 2003, ensuring that ownership of a property cannot be lost as a result of the registration of a falsified mortgage, fraudulent title or a court order of attorney. The bill also ensures that, in standard cases of fraud, the title is returned to the rightful owner and a compensation decision is made within 60 days.



remotely install malware and send spam to other computers. Bots also run Trojan horses (software programs disguised as legitimate programs that in fact cause or spread a virus).

Your system may also be infected with spyware, which can be installed on your computer without your knowledge through free programs downloaded from the Internet or through file-sharing. Some spy software programs can even be installed remotely without being detected by commercial **anti-virus software**. Spyware secretly monitors a computer user by recording keystrokes and uncovering passwords, tracking websites visited, accessing the hard drive and capturing chat conversations.



Synthetic offers

Norton AntiBot software from detects bots and other malicious threats. Recently, the company released Norton Internet Security 2008 with improvements that focus on anti-phishing and identity theft protection capabilities.

Fight cybercrime with smart computer use

- Download security updates as they become available
- Use a separate credit card with a low limit (as little as \$500) for online shopping. That way, if your card is compromised you limit the harm of knowing where the fraud occurred and the loss will be capped.
- Install a good virus protector and spyware software on your computer. Remember that although the majority of viruses target PCs, Macs are also susceptible.
- Install a firewall. Essentially a barrier between your home computer and the Internet, a firewall can help screen out unauthorized access and help attempts to enter your system. It can, however, detect emails containing viruses or block spyware and viruses.
- Change your passwords frequently and don't make them obvious.



- Be suspicious of email attachments from unknown sources. They could contain malware or spyware.
- Be wary of email that claims to be from your bank and asks for account information like your personal or account number. Legitimate financial institutions never ask you in an email to send them your security information. Contact your bank if you receive one of these emails.
- Don't click on links inside emails. Phishers can use links to point you to a "spoofed" site, using an address similar to a real bank's URL. Instead, go to your browser and type in the legitimate address.
- Whenever entering personal information on a website, make sure it's secure. You should see a closed padlock in the bottom right corner of your browser.
- Avoid using public access computers for online banking, sending email with personal information or making online purchases with credit or debit cards.

Banks fight back

Canada's financial services sector is dedicated to fighting fraud with new and improved technology. Here are some recent developments:

- Canada's banks and credit card companies, in co-operation with Interac Association, are conducting a trial of chip-and-pin credit cards. Chip and PIN technology is far more secure than the magnetic strips cards currently in use. The new cards have an embedded computer chip that protects them from being duplicated or counterfeited. After chip and PIN technology was introduced in the U.S. in 2004, credit card fraud decreased by 24% in 2005.
- Each financial institution has its own timetable for the rollout of chip embedded cards following the trial. Interac has set the deadline for conversion to chip for Dec. 31, 2012, for automated banking machines and Dec. 31, 2015 for point-of-sale terminals. Bank of Montreal has begun its trial of chip embedded cards and plans its national roll out later in 2008. It will take several years to upgrade all customers to the new cards.
- CIBC's free CreditSmart service notifies its clients of any suspicious activities on their credit cards or personal credit report. In case of unusual card activities, CreditSmart Fraud Alerts contacts clients with a phone call home, by e-mail or through the client's Online Banking Message Centre. Clients who suspect identity theft can

take advantage of CreditSmart Identity Theft Assistance by calling 1-800-465-4653. These alerts help us reach our clients as quickly as possible so that immediate action can be taken if unauthorized use is suspected," says Ernie Johnson, SVP Marketing, CIBC Personal Services.

To further fight fraud, CIBC has installed new card readers on its bank machines across the country. The move has reduced fraud by 50 per cent, according to Mr. Johnson. The reader, or illuminated green cover, prevents anyone from obtaining information from CIBC clients' Contactless or Visa cards through illegal devices or practices.

- TD Bank Financial Group and Symantec, a security software firm, are offering TD Internet banking customers a free browser plug-in. Norton Confidential Online Risk sophisticated online fraud prevention tool that identifies potential TD Canada Trust websites that fraudsters may use to target customers.
- BOC Financial Group advises customers to use a Web browser that supports 128-bit encryption for all Internet activities. The 128-bit browser is standard to access many of the bank's online websites including online banking and online trading.

IT'S ABOUT

SECURING YOUR BUSINESS ASSETS

Information is one of your company's most important assets and more vulnerable than ever before. You need to ensure that your company's information is accessible to the right people, protected against unauthorized use, and compliant with regulatory and legislative measures. Allstream's proven methodologies and team of highly experienced, industry-certified and accredited technical professionals enable you to meet these security challenges head on.

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How to avoid being a victim

Fraud and cybercrime are all around us, but being aware and proactive can help protect you, says Inspector Barry Boxter, Officer in Charge, Counterfeit and Identity Fraud, RCMP Commercial Crime Branch

- Be aware of telephone scams. Unless you initiated the contact never give out personal information over the phone. If you have initiated the call, ask for a callback number that you can verify.
- If you receive a call that you receive a free trip or a contest and you're told you need to send money to collect your winnings it's a scam. Never give out your credit card information or other personal information.
- Don't give out your social insurance number unless absolutely necessary, such as when dealing with a confirmed government office. Again, if you didn't initiate the call, ask for a callback number to be sure.
- Protect your personal identification number (PIN) when you're at a bank machine and never disclose it to anyone. Memorize it – don't write it down.
- Don't carry around all of your personal identification. Leave your social insurance number, birth certificate and passport in a secure place.
- Buy a shredder and use it to destroy old credit card receipts and sensitive documents like tax returns, bank statements and investment information. Otherwise you could be the victim of "dumpster-divers" going through your trash to find documents that will allow them to steal your identity.
- Don't throw unattended pre-approved credit card applications in the trash – steal them. There's may use them to apply for a card in your name.



- Sign all credit cards when you receive them and never lend them to anyone.
- Notify the appropriate government agencies, your financial institution and credit card companies immediately if your identification or credit cards are lost or stolen.
- Never leave credit or debit card receipts at bank machines, at cash carts, at stores or at unattended gasoline pumps.
- Get a copy of your credit report every six months to make sure that there is no fraudulent activity being conducted in your name.

Where to report fraud

If you've been the victim of fraud or want information about how to protect yourself, these organizations can help

- **PhoneBusters** This national web fraud call centre is jointly operated by the Ontario Provincial Police and the Royal Canadian Mounted Police. They collect complaints and forward them to the appropriate law enforcement agencies, as well as educating the public. Send fraudulent letters, email or report telemarketing fraud to 1-888-495-8507 or visit www.phonebusters.com
- **SCSEP** The RCMP's website highlights the latest consumer scams and offers advice on how to deal with them. See www.rcmp-gc.gc.ca/scseps/foies_e.htm
- **Reporting Ontario Crime Online (ROCO)** An integrated partnership between international, federal and provincial law enforcement agencies, ROCOL educates the public about fraud provides real-time data on current fraud trends and directs complaints to the appropriate agency. Go to www.ocol.ca



- **Competition Bureau** Committed to educating the public and businesses about the dangers of fraud, the bureau is offering a fraud prevention forum in March. Call 1-800-349-5059 or visit www.competitionbureau.gc.ca
- **Canadian Council of Better Business Bureaus (CCBBB)** Lodge a complaint against a business or company, request an investigation or learn about recent trends. Go to www.ccbbb.ca

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For what matters.

from 116.6 in 1960 and 118 in 1989. Today, that figure stands at 113 days. In other words, if every farmer produced exactly the same amount, the world would have enough under current consumption levels to keep ourselves in bread for about 74 weeks.

This wasn't all that caught Quaden's eye. Statistics on the FAO's database showed the amount of arable land had increased less than one per cent over the past decade, while per capita cropland was fast diminishing. So he began wondering why nations at the FAO or anywhere else had no red alert on alarm. "The decline in food supplies we're seeing now is deeper than any time since the Second World War," he says, "unlike in the past century." So he and his boss, NFU president Steven Wilks, drafted a letter to FAO head Jacques Diouf and Rod Aiken, then secretary general of the United Nations, urging it to make its concerns public. They went to the UN to suggest a summit of world leaders to discuss the matter. The response that arrived two months later amounted to a three-page pat on the head. "Lawmakers are concerned," wrote David Muzharik, an FAO official in Rome. "But as you now see the world's cereal market fundamentals have undergone major structural changes over the past decades." The potential growth of production in the former Soviet bloc, along with the recent revisions concluding that China had for years been underestimating its grain reserves, consolidated Quaden's advice. Hamstrick said, "For that reason, it doesn't fall to a three-deck table, it may not necessarily be cause for alarm."

Why the agency has more than 200 staff and staff in 120 countries for an interview with Diouf went unanswered, but it wasn't long before the warnings started coming from coast to coast. At the headquarters of the UN World Food Programme, also located in Rome, executive director Josette Sheran spoke last summer of a "perfect storm" for the world's hungry, citing the elements of global warming, Asian demand and rising fuel prices. Her vice bureau ran only half that of a fellow UN agency, but with numerous experts, governments and aid organizations who still thought the world's food situation was improving. "I remember thinking 'I'm a bureaucrat on a backhoe,'" she acknowledged in an interview. "But the changes in the agricultural market took the world by surprise. We've reached the point where we can't rely on our own assurance that it's not a one-way ticket. I think we're looking for long-term issues." Throughout the fall, NGOs and governments filled in with the WFP's warnings. By Christmas, financial analysts were forecasting that agricultural commodity prices would remain high for months, if not years, to come.

For those anxious to assign blame, the U.S.

oilseed industry has made a particularly poignant Web 1.0 billion words of annual subsidies going into the ethanol industry, critics say, the dream of making America more energy independent has created an equation that holds for millennia—namely, that you increase food production by putting more energy into it (in the post-industrial age, energy means tractor fuel and nitrogen fertilizer). Now, however, as being blessed with government money to convert food into energy. Powerful, the Corn Belt agricultural system, has driven it to the "biofuel bread-crop." Fully 30 per cent of the U.S. corn crop went into creating ethanol last year, yet it generated only one per cent of the country's fuel needs. "So it's not making us energy independent at all, and it's driving up the price of everything else," he says. "You're taking corn away from feeding livestock, and more, enough, here in the States, the price of corn, milk and eggs has gone up 10 to 25 per cent. The price of other grain that you can use as substitutes is going up, because they're in short supply, too."

Neither the U.S. farm lobby nor Congress seems prepared at this stage to admit their mistake. Green, including corn, may account for 30 per cent of the world's food, and increasing that long-term supply might be more important than carrying out a failed experiment aimed at winning the U.S. off oil. Yet U.S. lawmakers have renewed the program for another year, while other countries are joining the party. In Canada, the Conservative government is pushing for an average of five per cent renewable fuel content in gasoline by 2010, and has announced up to \$1.5 billion in incentives for the industry over seven years. "This political and big money," says Pimentel. "Science and common sense just can't compete with that."

But whatever impact biofuels have had on the food supply may soon be dwarfed by the cost of fossil fuels themselves. For more than two months now, light crude has hovered above \$80 per barrel, and with demand from China and India on the rise, few are predicting a significant reduction. High petroleum prices tend to have a direct and rapid impact

on food prices. The cost of diesel used to power tractors, along with the trucks, trains and ships that get food to market, goes up. More crucial still is the cost of natural gas, which is used in the production of nitrogen fertilizer. After holding flat for some time around \$100 per million cubic feet, gas is expected to follow oil's rise in the coming weeks, which has driven the cost of various fertilizers to more than double in some markets around the world. No surprise, then, that fertilizer use



FEEDING CHINA: An Asian cat more meat, without food grows scarce in Mauritania, and protests break out in Italy and Mexico (above right) over the soaring prices of pasta and tortillas

has declined by roughly 17 per cent worldwide over the past decade, which in turn helps explain why food production is falling so short of the FAO estimates. "There are assumptions built into those estimates that are coming into question," says Paul Roberts, author of a forthcoming book entitled *The End of Food*. "They assume we'll be able to increase yields by a guess percentage per year. They assume we'll bring more land into production. With a lot of these lands will require some pretty crazy new fertilizing. So what is all that fertilizer going to come from?"



'The decline in food supplies is steeper than any time since the Second World War—maybe the past century'

It's a little bit that the process of a world's food supply is especially vulnerable about fertilizer, or the price of oil, or the impact of U.S. farm subsidies. Each Friday and Saturday night, the downtown Shanghai market fills with women capers and new vendors. The Chinese unbuttoned into some 100 million people. The entire hall from Australia and the United States are the Asian turn (Kobe beef is on the menu). But it's the sort of establishment that was built on a Chinese city 10 years ago, when most of the country had never seen a prime rib much less a steered cutlet. It's today, Moore's law stop a parody of choices for the Shanghai cuisine. At a retail plaza in the city center, you can click on Tony Roast's for a feed of black ribs. Peking Harbin and then Bell both have McDonald's plans to open another 125 across China before the end of the year.

If you view this frenzy as one more bubble, then you are missing a truly seismic shift in the global food market. In recent years, Chinese and other Asian consumers have been rapidly adding protein to their own respect, upping the bar of chicken and pork quantities in their daily meals while boldly experimenting with various cuisines. According to Beijing's own statistics, the average person in China last year consumed roughly 2.1 times the amount of meat he did in 1990, and that still isn't half the North American level of 82 kg per year. To some extent, this looks like good news for the country, which has exceeded 30 million.

stayed during the Great Leap Forward enjoying the usual "communist rations" that usually accompanied political movements. But it's a different story. With ever greater purchasing power, Chinese, Southeast Asian and Indian consumers are demanding higher-quality meats, vegetables, milk and eggs.

But what happens to the world food supply when a billion or so people suddenly

require the means to compete for the world's food? Don't simple economics point to an inevitable set of outcomes—a series of runaway food costs, followed by some form of catastrophic "correction" (i.e. shortages) to reduce demand?

If your answer to that question is yes, then you're in the venerable of somewhat unfortunate company of Thomas Malthus, an English demographer who in the early 19th century had based some apocalyptic ideas about food and population. A student of Enlightenment optimism, Malthus argued that population growth would forever outstrip the earth's capacity to feed its inhabitants, resulting in recurring cycles of famine and misery that also remained influential for decades, but his dystopian visions never quite came to pass. With each localized famine crisis came an advance that raised our ability to produce food—mechanized farming, irrigation technology, chemical fertilizer and, finally, the development of high-yield seed varieties that produced the so-called Green Revolution of the 1950s and '60s. The proportion of the developing world described by the World Food Programme as undernourished has fallen from 17 per cent in the '50s to 17 per cent today. More important, almost every country's economy is now geared to the planet made relatively cheap food in China, roughly 30 per cent of disposable income now goes to nourishment, down from nearly 50 per cent during the 1950s. In North America, that number stands around 10 per cent.

Still, there is one nuance to the same that the good times have come to an abrupt end, and that the impending global economic crisis could cause a global food crisis. Oil prices show no sign of abating, while other markets say fertilizer prices will remain high for the foreseeable future, and water is becoming the greatest worry of all. World was increased rainfall between 1990 and 2005, the majority of that going to agriculture. Australia's worst drought on record has raised questions about

the influence of global warming, and water tables in important farm belts of the U.S., China and South Asia are plummeting—in India by as much as three meters a year. In northern Asia, a decade of drought has led to the sense of crisis only deepens, producing one of the largest famines in the world's history. The water is a billion of cereal grain down, which helps explain why the outgoing CEO of Nestlé SA, the world's biggest food maker, recently raised water scarcity as one of the greatest challenges facing the world. "There will not be a day, but it is a warning sign," said Peter Brabeck-Letmathe, "Just like the water is a warning sign."

For breadbasket countries like Canada, these trends will no doubt reduce output. Soaring commodity prices have brought long-awaited relief to producers who struggled under the yoke of low income throughout the 1980s and '90s, going up as high as the federal government or far beyond to stay in business, notes the NFU's Quaden. This year, Agriculture Canada's prospects point to a 36 per cent increase in farm income and a 40 per cent leap in farm receipts, which in turn has driven a stock-market boom in agribusiness. But even the newly muscular livestock hasn't penetrated Canadian farms, say, a 4.6 per cent hike in the price of bakery products since last year. In the U.S., the overall price of groceries has risen five per cent over last year, in Europe, six per cent. New Zealand is paying \$16 for a block of cheddar cheese, while in Britain it's \$18. In N.Y., a bag of that sweet corn costs 65 cents (supplanted what one local grower per described as the "unbearable"). At the top of the food industry are offering little in the way of help. The CEO of Kraft Foods warned at the end of January that prices would go even higher in the coming weeks, particularly for products made with milk and wheat flour (Kraft doesn't take notes). David Mackay, the chief executive of Scilling Co., issued a similar warning

and treated a burlap in the ethanol industry. Fighting global warming will well and good, he said, but when Corn Flakes go up at twice the rate of inflation, "it's negatively impacting those people who can least afford it."

It's a bad sign when Corn Flakes go up at twice the rate of inflation

As far as there's trouble to be found about Corn Flakes, it's not below the average. Well, let's put away your 'b' for a moment and let's get on with the good. The World Food Programme's Shoaib was one of the pro-corn crowd who placed the so-called "hunger billions" of the world's poor subsisting on less than a dollar per day in serious danger of malnutrition, if not starvation. "In Mali, their food stocks are down 90 percent," she says. "In Timbuktu, a loaf of bread has doubled." Worse, though, the WFP itself has almost all of its supplies off the open market, spending about US\$1.2 billion per year on food that has gone up 40 per cent in the last year alone. On Monday, the agency said it must now consider rationing aid that feeds some 57 million people worldwide—from about 150 children in Ecuador to refugees in Darfur.

And while the effects may not be readily visible, and working up this sort of comment will quickly cause head-won pain in Third World development. Many families in sub-Saharan Africa who have taken on debt to feed themselves will soon run out of credit, explains Orlan's Micron. "Some will decide which children they'll send to school," she says. "You'll stop doing preventive medical checkups, people will just wait until things get bad. And you'll definitely change what you eat. First it will be some substitution, a food you don't prefer as much. Then you start giving up quality, buying broken grain rice, and causing flour instead of whole flour, and so it goes."

In short, food policy is shaping up to be one of the 21st century's hottest battlegrounds—a fraught landscape on which poor countries buckslide into malnourishment and wealthier ones compete for remaining pieces of the global pie. Donald Cook, an influential adviser for BMO Financial Group, recently described this as "the greatest challenge to the world," given its capacity to pit class against class, nation against nation—grainier even than \$100 oil. "The risk is getting enough food to eat the new middle class can eat the way our middle class," he told investors last month during a speech in Toronto, "and that means we've got to expand

food output dramatically." In December, the Washington-based International Food Policy Research Institute appealed to leaders' better angels, call-



SHOULDER, BOONDOGGLE: Converting food into fuel

ing on rich governments to lift trade restrictions on products that originate in hungry countries, and to invest in agricultural infrastructure in needy countries. Tim Salzer, a research analyst at the institute, also warns against simplistic calculations blaming one region of the world for another's shortages. "You can't say advanced countries like China are causing problems in sub-Saharan Africa," he says. "The impact developed nations have on the world food supply is also strong, so you have quite a complex picture."

The question is how to restore a state of balance at a time when prices are so unstable. Salzer points out that overall food production actually is going up, it's just being badly outpaced by demand, and modifying demand is an extremely difficult thing to do. While fully 1.1 billion people in the world are "over-nourished," by World Health Organization standards, for example, there is no sign that the food inflation of the past 12 months has stopped, say, Americans from consuming their eight ounces of meat a day per person. China, too, shows little inclination to change course. But from eating people to overeating less meat, thereby easing pressure on grain supplies, Beijing recently slipped a 20 per cent export duty on wheat, barley and oats and expanded subsidies to farmers in order to keep the wheels turning.

On the supply side, the most promising solutions are also most prone to organized opposition. Irrigation projects are meeting growing resistance from critics, who point to the salinity of old reservoirs or the depletion of groundwater needed for human consumption as reasons to forgo agribusiness. Genetic engineering offers the prospect of drought-resistant, herbicide-tolerant wheat and corn. But last summer, activists in France spent their days trampling barley crops in an

expression of anger toward what they see as an enormous risk to the environment and human health.

The better hope, says Victor Smit, a University of Manitoba professor who specializes in food production and energy issues, may lie in improving agricultural techniques—especially in countries where extensive farming is just taking root. After years of studying the use of chemical fertilizer around the world, Smit concluded that as much as 70 per cent is being wasted due to misapplication. "In the case of Chinese rice, only 30 per cent of ammonia fertilizer ever gets to the roots of the plant to be absorbed," he says. "For the lower corn belt, if you get 40 per cent taken up by the corn, you're standing all the way to the bank." Consequently, Smit actually sees higher fertilizer prices as good news, believing it will force farmers to apply it more efficiently, improving yields per acre and making better use of water. It's a classic case of allowing market forces to do their work, and if it succeeds, from that millions of lives are in jeopardy may prove unbothered.

If not, countries great and small are in for a long period of soul-searching. "For 5,000 years of civilization, one thing was understood: we had food was hard, that food was important and often scarce," muses Quarm. "There seems to have been that great forgetting in the last 50 years—a kind of hubris that said food was easy and would generously be in surplus." In North America, a healthy anxiety about that assumption has finally begun to set in. But we are yet to feel the twinge that comes from looking across the globe at the misery of others, realizing that a lighter wallet is a lot easier to bear than a characteristically empty stomach. ■



MAN IN NATURE

PEERLESSLY SNAKE HANDLER PUTS THE SQUEEZE ON

Normally, when a python slithers into your child's bed, you get nervous. But not the parents of Umm Samudh, 7, who has lived with a python since he was three months old. He and his family live near the Canadian capital of Ottawa. Umm Samudh regularly sleeps in the coils of the five-meter, 100-lb python. In return the boy puts her down with baby powder. The serene relationship has become a minor tourist attraction.



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Calgary Stampede

BY ALEXANDRA SHIMO • Two-year old Ross Miller is watching a video of two men fighting in an eight-sided wire cage. One has mounted the other and is holding him down while punching his stomach and head. The man on the ground is getting up against the mat. His jaw and brow are bloody, and he's taking multiple blows to his head, but even lying down, he's still drawing left and right hooks to his adversary. Ross watches the fight closely. "My dad explains things. Like this guy is trying to punch this other guy right in the face." The reason Ross is learning about the finer points of this fight is that he's in training to become the ultimate fighter on the scene.

Cage fighting used to be considered a brutal, violent and illegal sport adopted by only a bloodthirsty few, but today it's hard to miss. Taped on the television, and ultimate fighting is no longer on the fringe, instead, it's prime-time viewing. It remains illegal in Ontario, Vancouver and in the B.C. Lower Mainland, yet it is shown on the three major Canadian sports channels, on U.S. channels such as Spike TV, and on pay-per-view. That popularity has spurred parents to sign up their children, say coaches such as Mark Stables, who runs a Toronto club.

Ultimate fighting goes by different names—cage fighting, mixed martial arts. Some ultimate clubs teach Jiu Jitsu, or the core elements of the game, but don't clearly advertise what they do. Vito Braccione trains kids in mixed martial arts in Mississauga, Ont. But the sign on his club says, "No Canadian Martial Arts Academy." Because of the ban, he says, "it's easier to get insurance when you say you are just teaching kids karate." (In Ontario, promoters of cage fights got around the law by having fights take place on native reserves, most recently at the Six Nations of the Grand River, southwest of Toronto, Ont., last month.)

Despite the legal issues, the sport has grown increasingly popular, says Braccione, who teaches children the grappling program—Jiu Jitsu (a yea-and-throater move—kicking, punching, choking, arm locks—all of which are combined to get to make up ultimate fighting. At Stables' club, kids can start when they're eight. Some clubs take younger kids. At the Tiger Gym in Montreal, which trains the former UFC welterweight champion Georges St. Pierre, children can begin at five. Joslin's Mixed Martial Arts and Gracie Kickboxing in Hamilton, Ont., where Jean Malas, starts teaching children some of the basic techniques at three.

Ultimate fighting began in 1993 with a question: who would win if you put two fighters from two different disciplines in a cage, throw out most of the safety rules, and told them to keep fighting until one was

gone? The early cage fight seemed to come up with the answer by scoring two fighters from different disciplines. Some black belts took on Brazilian jiu jitsu champions. Kick-boxers were paired with wrestlers.

The fights were often nasty, brutal and short. Later, the various martial arts were combined together to get the "anything goes" style of fighting you can see on television. While the lack of rules has always been one of the attractions of the sport, ultimate fighting has introduced limitations on the sport has progressed. Today, hair pulling, eye gouging and clawing your opponent are illegal. So are groin shots and head butts, although in the heat of the moment, these still happen.

With the concern over injury, the British Medical Association has called for a blanket ban on the sport. On Sept. 3, 2007, the association released a report warning against a major cage fight tournament that was to be held in London later in the week. "Ultimate fighting can be extremely brutal and has been described as human cockfighting. It can cause traumatic brain injury, joint injuries and fractures," wrote Dr. Vincent Nardone, head of science and ethics for the association.

"This kind of competition hardly constitutes a sport—the days of gladiator fights are over and we should not be looking to run a new sport. As doctors we cannot stand by while violent fighting tournaments are allowed to take place. Large amounts of money can be earned by participants, promoters and others linked to ultimate fighting, but no amount of money can compensate for permanent brain damage and premature death. As a civilized society we should be campaigning to outlaw these activities."

Two weeks after the release of the British Medical Association's report last September, the city of Vancouver did exactly that, banning the sport, and saying it needed more information on whether it was safe for adults to compete in professional cage fighting competitions. (There is a paucity of data on the injury rate since the only people keeping track of who gets hurt are fight promoters, and they those not to promote this data. Today, three deaths have been attributed to cage fighting matches. Florida born fighter Douglas DeGard died after taking two heavy blows to the head in 1998, a South Korean fighter died in the press only as "he" died after a mixed

martial arts match in Seoul in May, 1995. Houston-based fighter Sunny Venguet collapsed during a match in Texas in October 2007, fell into a coma and died (see page 16a). Still, despite the deaths, injuries, known as "the damage," are discussed in glowing terms. They're even seen as one of the sport's key attractions, says Vito Braccione, who trains several world champion amateur fighters, and has his own club. Knee and elbow shots can cut a face, and even minor head wounds bleed profusely. The fingerless gloves have less padding than boxing gloves, so the knuckles are more likely to tear flesh. "People want to see blood and guts," he says. "It's promoted."

During a fight in Montreal, billed as the Road to Fight 2009, between Jeff Jorlin, who trains Ross Miller, and American fighter Jon Fitch, for example, Jorlin was badly hurt: he broke his nose and had a tooth knocked out. The blood spewed into the audience and dropped into one spectator's beer. Photos of the golden brow mixed with red blood were popular among fans, says Ross Miller's father, Dallas O'Rourke, who watched the fight.

Parents sign up their children to compete in ultimate fighting for a number of reasons.

NASTY, BRUTISH AND SHORT

ULTIMATE FIGHTING'S ALL ABOUT 'BLOOD AND GUTS.' SO WHY ARE PARENTS SIGNING UP THEIR KIDS?



MATTHEW ZHANG (Opposite) and lower left) with his coach Mark Stables (Opposite), (Opposite and lower right) UFC competitions, 2007

PHOTOGRAPH BY MATTHEW ZHANG AND MARK STABLES BY CHRISTOPHER HANLEY
PHOTO COURTESY OF BRACCIONE FIGHTCLUB

explores how they learn, a network analysis, as fans of the sport—11 people can defend and strike in a cage fight—and it's about their children to learn the discipline this demands. It was introduced to two boys, Brandon, 14, and Saylor, 10, to the sport, and father and sons had to learn at the same time. Brandon, 14, and Saylor, 10, to the sport, and father and sons had to learn at the same time. Brandon, 14, and Saylor, 10, to the sport, and father and sons had to learn at the same time.

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ONE FATHER EXPLAINS THAT HIS SON WAS 'BORN TO BE A FIGHTER. ALL MY SONS WERE.'

student of martial arts, since he was eight. When the 10-year-old Brandon was 11, he started and competing in his first MMA fight. He has won his first MMA fight and trophies he has won his first MMA fight and trophies he has won his first MMA fight.

"As soon as he [fighter] began to fight, he was born to be a fighter. All my sons were." Brandon, 14, and Saylor, 10, to the sport, and father and sons had to learn at the same time.

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TEN-YEAR-OLD ROSS MILLER (top left) competes with his father, Dallas O'Keefe (top right), (top left) Dallas O'Keefe (top right) and his son, Ross Miller, (top right) in a UFC Fight Night in Dallas, June 2007, (top right) Dallas O'Keefe (top right) and his son, Ross Miller, (top right) in a UFC Fight Night in Dallas, June 2007, (top right) Dallas O'Keefe (top right) and his son, Ross Miller, (top right) in a UFC Fight Night in Dallas, June 2007.

One was the "ground pound," in which the 10-year-old straddled his opponent, held him down with his weight and used his hands. There were also the "punch drills," a competitor held his opponent's head in his hands, and the 10-year-old straddled his opponent's head in his hands, and the 10-year-old straddled his opponent's head in his hands.

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ATLANTA: REPOSED SMOKE IS A CIBRE FIGHTER. He's a 10-year-old boy who's been in the ring for a long time. He's a 10-year-old boy who's been in the ring for a long time. He's a 10-year-old boy who's been in the ring for a long time.

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Nicholas Campbell explains how he threw it all away

The great actor is broke,
in trouble with the
taxman—and needs a job

BY BRIAN D. JOHNSON

tv

You can't easily recognize him. In *The Englishman's Boy*, a CBC miniseries airing Sunday, Nicholas Campbell—once the lean, mean conner from *Da Vinci's*

Vincent—glies a dapper cowboy named Sherry, a paternal ex-cuse with a punch and a grizzled beard. He has hazel eyes and a tongue that lies called for a truck maker, as an early Hollywood actor would try to develop up his rugged and handsome features of a young Indiana in the 1930s. Adapted by Guy Vanderhaeghe from his own novel, *The Englishman's Boy* is the story of a rugged man with a wild past who doesn't trust Hollywood with the truth. That could also describe the story of Nicholas Campbell.

Before *CBC* came along, as the hard-boiled *Da Vinci*, Campbell created one of the most authentic anti-hero roles ever to appear on a body bag in prime time. Now, with his disarming performance in *The Englishman's Boy*, he comes to the screen as the finest character actor in Canadian television. But this is a country where you can be at the top of your game and on the brink of ruin. At 55, Campbell is broke, unemployed, extremely in debt to the Canada Revenue Agency, and wandering where his next job is going to come from. He says he has only himself to blame. For all his adult life, he ignored his taxes and frittered away time and money at the racetrack. Now he's starting to find uncomfortably like Sherry. "My life has turned into him in a way. The similarities are striking way too hard these days—the feelings of shame that governed his life. And I'm kind of an underdog, to most of the way we do drama now."

Work has been sporadic for Campbell since he shot *The Englishman's Boy* with director John N. Smith two summers back. The mini series was commissioned by a previous regime at the CBC. The network's new bosses let it

sit on the shelf and soon leads to promote busy period there under a revised mandate that favors copious about desperate hockey wives. Now, rather than "fast track playing people's dad" as shown used to youth and beauty, Campbell wonders if the stage might be the best place to find steady work. Mean while, he's watching *Da Vinci* take off on U.S. syndication, topped up by some 400 stations. It's also about to come out on DVD. But he won't use a dime from either.

The actor started in *Da Vinci's* *Vincent* for seven seasons, followed by one season with *Da Vinci's* *City Hall*, which the CBC cancelled in 2004. He figures his salary ranged from \$15,000 to \$10,000 a week. "I thought it was a paycheck that was never going to end," he says. "I was on a successful show. But I was totally irresponsible in my financial dealings. I was living a fool's paradise."

Campbell causes he never gambled large amounts at the track. But between jobs he would spend the whole day there, handicapping 70 or 80 races around the world, and the dollars added up. He also bought horses, owning more than 50 in partnerships over the years. "When I started to get negative energy from the tax people," he says, "I was on the hook with the horse and had to pay my end and they wouldn't let my investment. I thought I'd eventually be able to catch up. It didn't work out that way." Campbell, who lives with his girlfriend in a small furnished apartment in Toronto's Yorkville, doesn't even have a car. He hasn't had a credit card since 1991. "I've got a couple of cars from in *Mean*, and that's about it."

The personal life is almost as messy as his finances. He's burned through three marriages and three children, now aged 14, 18 and 25. After marrying, divorcing, then marrying his third wife, they separated in 1993. The two younger kids stayed with her in California—one of the perks of doing *Da Vinci's* Vancouver is he got to see them more often. He would be wouldn't get involved with another woman, a rule he finally broke after 20 years. It's not going smoothly, but again he blames himself. "To move in with me, you gotta be out of your mind."

It's hardly Day, Ontario's new winter holiday. Campbell sits at a corner table in Jet Paul, a funky Toronto office bar that draws writers, musicians and hard-core cyclists. Nick is a regular. He's always liked being a regular somewhere, and for years it was Louie's, a tavern frequented by players armed with rap sheets, not resumes. "It was the most interesting collection of characters," he says. "And they accepted me. I'd be sitting with a bunch of guys telling sad stories, and I'm the only one who hasn't got one."

On the contrary, he was a devoted private

NO COUNTRY FOR OLD MEN: In *The Englishman's Boy*, Campbell is also playing in a bottled man with a Texas accent





'I thought "Da Vinci" was a paycheque that was never going to end. I was living a fool's paradise.'

scholarship The son of a Russian mother who escaped a Nazi concentration camp and a Canadian of Scots descent, Campbell was born in Toronto, raised in Montreal and sent to Upper Canada College at 13. That's where he got hooked on horses, an Greek 11. His best friend's dad took them to the track by not every second. "It was so much fun," he recalls. "I liked that you had a team made up of two species, and if you were smart enough to get it right, you could profit from it."

After finishing school, Campbell started into acting after picking a three-year drama option at Queen's University. After graduation, he spent five years in London, acting and studying at the Royal Academy of Dramatic Art. He also acquired a law formal education, working mornings at a newspaper that sold book and speed under the counter and nights tending bar at a pub and betting shop.

They were crazy times. In 1977 he had a small part in *The Spy Who Loved Me*. Doing espionage among three substances on



TRUE GRIT: Campbell on the set of *Da Vinci* (left) with director John Flynn (right) during the show's first season

the world's biggest award stage, he would hide behind pillars, trying to stay off-camera because he was up for a big role with Sir Laurence Olivier—if he got it (he did), he'd have

to wuggle out of the Bond film. After work, he'd go straight from the set to a pub where he'd sit up building reggae stars Bob Marley and Peter Tosh, who rehearsed nearby, and buy pot from their crew. James Bond, Marley, Oliver—quite a day in the life.

But after working with the likes of David Greengrass and Russell Crowe, Campbell still expresses as much respect for his dimwitted friends of crooks and rascals, characters who informed guys like *Da Vinci* and *Shogun*. He even speaks fondly of the Mafia types he met while shooting a misadventure, *Knight of the City* (2004), with Sammy Davis Jr. Executive producer Michael Frutkin was later jailed as a mobster. "I used to call him Michael Cardone because they yanked him out of school and launched him into the Family," says Campbell. "We got on like a house on fire. He thought I was like James Cagney."

Before moving back to Canada in the mid-'90s, Campbell lived in Los Angeles for over a decade. He got really into it ("I just loved the script so much he became notorious for improvising"), and losing his temper. "All the guys I worked with were so afraid to make anybody mad," he says. "I didn't care if I was there or not." Campbell seems to thrive on risk. He had a gun thrust in his face in Kingston, Jamaica, while directing a hotel documentary about the murder of singer Peter Tosh (starring Aaron Ross). He landed up \$150,000 of credit card debt on the film's final use of plastic. Two years later he poured his after hours experience into directing *Reverie*, a teeny Canadian drama

He may have earned out a reputation as a Canadian Nick Nolte, but Campbell says his self-destructive image is exaggerated. "It's because of the people I hang with, and the fact that I can stay up all night for years at a time." In fact, on the set he's known to be a consummate professional. People around him are drawn to him. "I've never liked alcohol," he says. "I've been chased to drugs since I was a kid, but I hardly smoke per se anymore. Psychologists tell me

body grows out of them. I'm not having a great thought. I've never ended it. I tend to be a bit of a risk taker. I think of dedicating your life to it. But the big-

gest addiction out there isn't drugs; it's fast, easy money."

It's the one substance he could never handle, although he will defend his addiction to the racetrack—even after the man visited one for over a year. "I've been in hotels in every possible way, mostly financial," he says. "If I make one little slip, it will be like getting a gun in my mouth." But the track, he claims, was never about the money, just the thrill of the game. "I will bet the same level I bet when I was at Upper Canada. If I bet \$20 on a horse, I don't enjoy the money. I'm sweating it all the way down the stretch. There's a nonstop action there, that you've only got a certain amount of luck. I'm not about to give up my luck on a pole game or a race."

An appetite for the edge is what makes Campbell such a compelling actor. Smith, who gave him his chance of roles in *The Dog* and *Man of Steel*, says, "Nick brings everything to the character he's playing. He's a guy who's going to leap off into the dark and go down into the unknown and find those deep places. With Guy Vanderhaeghe, you're going into the heart of darkness and I think could exhibit the heart of the story." Campbell also showed methodical devotion to detail. His character never got into a home, but he spent two weeks with the other cast members studying camp-leaving to rule and disarming Michael Biehn, who plays Shogun as a young man.

Ironically, Campbell admits he's afraid of being around horses or riding them. Yet he misses watching them. He's also spent years trying to develop a movie about legendary Canadian jockey Ron Turcotte. And these days, he even wonders if he might find a second career at the track. "I'd like to be the one of these broadcast men out of Woodbine," he says. "It would be something I could devote my life to. I'd like to do some on-air stuff too—I'm begging the CBC to add me to the broadcast team for the Queen's Plate."

For a guy who's down on his luck, Campbell doesn't act like it. He has a buoyant disposition. "I've been a happy bastard," he says. "I roll along and have a happy life. And those great role models with my kids." He may worry about finding his next major role, or about shedding the ponch he gained to play Shogun. ("I need to be religious about keeping this. I had *Da Vinci* down as a high-maintenance guy who thought eating was a waste of time." But he's philosophical about it. "Every actor's nightmare is that you end up stuck in the bed," he says. "Olivier died today. Too sorry you'll never work again. But that's what drives you forward." For now, Nick Campbell is just doing his best to stay in the game, a dark horse on the backstretch who's been known to come from behind. M

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A MEETING with the (now former) mayor, Season Four even when the show's barbers spread beyond street-level crime, women are scarce

Could 'The Wire' be misogynistic?

Some fans of the crime drama are troubled by how women are portrayed on the show

BY JORDAN TIMM • If you made through the hundreds of thousands of words that roll on here spilled over HBO's *The Wire*, the only point of debate seems to be whether it's the best television show of all time, or merely one of the best. Though the Baltimore crime drama has been a ratings failure since its debut in 2006, it has been lauded for the complexity of its characters and story arcs, for the authenticity of its portrayal of police officers and street-corner criminals and their respective lives of work, and for its masterful critique of crime, corruption, and the institutions of law, school, and city hall that have all joined the police department under the microscope of the show's creators, former newspaperman David Simon and former cop and schoolteacher Ed Burns.

Most of those singing the show's praises, however, have been men. And while *The Wire* does have a significant female viewership, every female *Wire* watcher seems to adhere to the following rule of thumb—despite barbs about its handling of its female characters: "The main reason most of them are there," writes Canadian crime novelist Sandra Burton, "is to provide context to male roles, or to advance the storyline of a male character." She's not alone in her criticism. Some women viewers find the show alienating; a few even call it misogynistic.

"I think the force of the program's conviction is so impetuous that we tend to forgive or forget some of the questions and doubts about the representations of women," says L. Sims, an assistant professor of film and digital media at the University of California, Santa Cruz, who's *Wire* fan despite her reservations. "These concerns have been brought to the background as the series has unfolded over the years, as

discussions among TV scholars, and hence read there on the Internet, but they rarely find a mainstream forum outside the overwhelming praise. In themselves, they're really found voice in a column published online last summer by the *Greenberg*, in which a critic named Umarie Khan took the show to task—criticizing the way it portrayed male-female relationships, and deeming it "homosocial in its coverage that men's lives are lived to the fullest when they are surrounded by women."

Khan and other TV scholars don't go so far in their criticism, but they recognize Khan's concern: "The police genre is traditionally a male genre," says Kim, "it's a depiction of a world where women aren't usually seen."

The Wire is no ordinary police genre piece, in its ambitions or in its execution. As has often been stated, it has more in common with a Dickens novel than with *Old Street Blues*; but with rare exceptions—attorney state's attorney Rhonda Pearson and detective Slick Grogan, a defunct investigator who happens to be a lesbian—the women are supporting players, and often stock characters at that.

As examples, Kim cites the sexually aggressive political campaign manager, the dentist, charged on girlfriend, and the drug-addicted mother of the ghetto children who were the show's focus in its fourth season. Of greater concern to her is the fact that the women in

the show, even a relatively strong figure like Pearlman, are often seen to gain access to no professional networks—boys' club-like organs of crime, unions and the police force—only by virtue of their social relationships with male characters. "It's problematic, the fact that we have these sort of social-sexual relationships that justify the existence of those characters," Kim says.

Even when *The Wire*'s barbers spread beyond street-level crime, encompassing settings that suggest more opportunities for lead female characters—like municipal politics, the school system, and this season, the media—the show's creators have declined to take advantage. In the current storyline centered on the Baltimore Sun, the only new female face belongs to only reporter Alma Gutierrez, and as the show's final season waxes, she remains incidental to the overall story.

If *The Wire* isn't ambivalent about gendering complex, nonstock female characters, does that detract from the show's accomplishment? "It's really difficult to handle all these elements—race, class, gender, sexuality," Kim says. "And I think the program is handling almost all of these issues incredibly well." But because of the astonishing quality of every other aspect of Simon and Burns' creation, their relative failure with female characters is perhaps that much more glaring. As a comment on one blog put it, "These guys spend a lot of time to get the other details right. Why not spend the time on the women?" ■

ACCORDING TO TV... CASTRO'S RESIGNATION

Fidel Castro's stepping down as leader of Cuba will be rewarded by his brother, Raul. According to the State Department, Raul Castro is the son of Fidel of Castro's brother-in-law, "Gomez Olivera." Now that Fidel has resigned, he will either be succeeded by brother Raul or by his son, Fidel Jr. Castro. —David Letterman
"But don't worry, you'll still be able to see him on ABC's *Dancing With the Stars*!" —Jay Leno



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MOST BARISTAS burn their coffee—they don't know what they're doing, says one Brazilian coffee lover. Can you imagine anything worse?

Brazil: great beans, lousy coffee

Afficionados are trying to teach the world's biggest producer how to brew good java

BY DANIEL VINCENT • Brazil is the biggest coffee producer in the world. It provides 35 percent of the world's coffee, producing some 47 million 60-lb bags of beans every year. About 12 million of those bags are consumed by Brazilians, so you'd think you'd be able to get a decent cup of coffee here. But until recently, there was no such thing in Brazil.

"We lived in Brazil all my life, and the only time I had a great cup of coffee was at a cafe in São Paulo in the 1950s," says Celina Franco, who runs El Barista in São Paulo, one of a handful of quality cafes that serve a good espresso. "I was depressed, especially when the barista told me they only use Brazilian beans, which are worse than the ones in the world. It made me mad because I never tasted any coffee like that in Brazil." What Franco and other coffee drinkers discovered was that not only are most of the good beans reserved for export, but most places in Brazil have no idea how to roast the beans that remain, or how to use them to make a good espresso or cappuccino. For her part, Franco resolved to change all of that when she opened El Barista, Brazil's first quality cafe, in 2003.

To learn the coffee experts tell it, though, the country still has a long way to go. "They use chocolate powder in cappuccino, and most baristas burn their coffee because they don't know what they're doing!" says Jo Squitieri, a coffee aficionado. "Can you imagine anything worse?" Several years ago, connoisseurs like Squitieri and Franco set out to change the status quo, forming a national association of aficionados determined to teach this nation of 185 million people the finer points of making a good cup of coffee. Each year, the association holds a barista competition. Brazil's winning barista

then goes on to the world championships.

At the Rio de Janeiro regional championships in January, baristas vied in front of two Italian-espresso machines at a local outdoor ball. As contestants made small cups of espresso and cappuccino for the five judges panel, they were graded on such things as their technical ability, hygiene, the "texture" of their cappuccino and the consistency of the crema (foam) atop their espresso. "We're afraid if they know how to drink this out," said judge Marco Seghezio, the owner of the Sepia cafe, a hole-in-the-wall espresso shop in São Paulo. "We wish how they use the machines, that they don't use dirty cloths, that they know how to clean the machine. Of course, the ultimate test is the quality of the beverage."

Also leading the charge for better coffee is Henrique Bepko de Araujo. He became a pioneer of farms in Brazil when he took over his grandfather's coffee plantation seven years ago and named everything organic. He is a proponent of biodynamic agriculture, which relies heavily on composting and crop rotation as well as astronomical calendars as a guidepost in planting. Of the 100,000 coffee growers in Brazil, only a handful are using biodynamic techniques, says Bepko, also a leading member of the Brazil Specialty Coffee Association, a group of coffee entrepreneurs who travel to coffee trade shows

around the world extolling the beauty of sustainable Brazilian beans.

"The coffee people buy in Brazilian supermarkets is mixed with other things, and the companies are owned by the big multinationals," says Bepko, who markets his organic coffee beans under his boutique label, Caramelo Organic, and exports to 18 countries. "That's why very few people here know how to make a good cup of coffee." In some quarters, Bepko's product is getting rave reviews. "This is one of the most beautiful coffees in the world," says Andrew Barnett of Ecco Caffe, a specialty coffee roaster based in Santa Rosa, Calif., and one of Bepko's oldest customers. "It's like drinking a good wine."

Brazil's coffee landscape is slowly changing. Last year, Starbucks opened up six cafes in São Paulo, and is planning other locations. The U.S. chain hasn't put a dent in the home-grown coffee, but as part of the educational process. "Thanks to Starbucks, people are demanding a lot more honest coffee drinks," said Squitieri of the coffee competition in São Paulo. "This is great for our business."

As he spoke, he and the other judges were busy sipping out their score sheets for just another barista. "The stars to put chocolate powder in that cappuccino, he'll get a zero," said Squitieri. Luckily for the barista, and perhaps for the country, the cappuccino was good—just the right consistency of foam and the right amount of espresso. Most importantly, there was no chocolate in sight. ■



TODAY'S SPECIAL... LINKABLE MAGAZINES

And as recent drug recalls remind us, there are other things, a glass piece tested in a laboratory and found to be negative with "link" paper, offering a taste of the product. Each link features a use-once cover that lets you know if someone has already sampled the magazine. The creation of marketing from First Place, the Linkable site will also be used for peppermint pieces, soy milk and even children's cold medicine.



THE USE of old-fashioned remedies, while "very anti-drug," also creates the possibility of re-convening yourself with repeated use.

Why don't you do it in your sleeve?

Sneezing into your hands is 'just stupid,' say the experts. What you should be doing is...

BY JONIA MCKINLEY • "It's startling when you first see it," says Barbara Curtis. "When my daughter first did it at the dinner table, the jaw tumbled and instead, into her elbow I said, 'What are you doing? That's not how to sneeze!'" Curtis is 58. She has 12 children. Curtis's 13-year-old daughter said, "Oh yeah, it is. It's what they're teaching us in school."

"I've been watching people sneeze for 39 years and all of a sudden my kids are coming home and sneezing into their sleeves!" Curtis's first thought was, "How gross! They're going to get all of our sweat on their sleeves. But then when my daughter explained to me, it made perfect sense. It was a little health education to me, it's a breakthrough like when they started seatbelts." Curtis had heard about the sneeze on her website, Memory Link, and posted a link to an educational video called "Why Don't We Do It in Our Sleeves?"

The video's creator is Dr. Ken Lombardy (www.sneezinglink.com), an ENT, nose and throat specialist from Miami, who got to bed with colleagues and patients sneezing and coughing into their heads that he faked, wrote and directed the video himself. "There were snuggled pillows all over his head," he said. "Cover Your Nose!" They'd been up for several years. Nobody paid any attention. The whole hospital was still coughing into its hands. It's to do with coughing into your hands. It's just stupid."

The video begins, "You will now see four different, slightly different coughing techniques placed first into the right sleeve, then into the left." "Like joke," says Lombardy, who admits, "I cannot get my nose into my right sleeve, and I'm fairly young and fit. It's like, 'The higher up your arm you do it, the better,' he says. "I've given up on my elbow."

I caught into my shoulder or bicep."

The video shows a man in a white t-shirt, posed to perform a sneeze. The voice-over continues, "The techniques will vary depending on your dimensions, the flexibility of your joints, whether you're wearing long or short sleeves, and your ability to cough at an angle. Notice the slight change of position with a sneeze, with the arms a little lower." Later in the video, when a man in a business suit sneezes, he catches his hands, an infectious disease expert says, "What place did it come from?" When the man sneezes into his hands, the expert says, "What he's back in it! He doesn't even know it's dirty!"

Nelly Almeida works at a pharmacy in Toronto. Before Christmas, she had the hard cold where "your head chills. You feel like your eyes are going to pop out of your head." One of her customers came in with her own year-old daughter. Almeida coughed into her hand. The little girl looked up and across the counter. "You know, you should cough into your elbow," the girl said. "She demonstrated," Almeida smiled. The girl borrowed her nose into the snuggled of her head. "She went like this. She said her teacher said, 'If you sneeze into your hand, the sneeze goes onto other kids and those kids get sick. Cough into your elbow.' So yeah, I got it made by a seven-year-old."

Almeida now sneezes into her left elbow and spreads the word to friends and strangers. She convinced a man on the streetcar who was "coughing and coughing." The other day the corrected her husband. "He sneezed. He was sneezing on me so I thought I'd just put him off. It's really great to see people caught into their hand and then reach something." Almeida's mother-in-law is nursing the conversion. "I'm talking her, 'No. No. Your elbow.' She doesn't speak English very well. She's like, 'I can't do that!'" She says she's one old.

In a blog called Catch the Flu, Lombardy's sister Laurie writes, "I see that a visitor has made the comment that we go back to using old-fashioned common sense. 'Sneezing is very more clean, it also creates the possibility of re-convening yourself with repeated use of the sneeze.' It's included in a special place on your person and is pulled out of repeated use, the germ is likely to arrive, then re-convening into your hands." Laurie, Laurie adds, "I think we can put the history between us and the sneeze from a man with the Oklahoma State Department of Health. 'A handkerchief takes what you don't want in your nose and puts it into your pocket.'"

In Manhattan, Dr. Chae Seale's four daughters all do the new sneeze. She's not sure where they learned it. "You taught us, Mom," they told her recently. "I'm sure I did it," says Seale. "But they're all doing it. It's the new thing." ■



MOST IMPROVED SYLVESTER STALLONE

At 61, the star should be growing rotund, not appearing in a new movie sequel (in which he looks in the way more army). But the latest Rambo film has roused his fans into a new army. Stallone who once loved playing God of the movie "I used to be a bad boy," a soldier named Rambo. Stallone's official newspaper is critical, charging that the aging star "looks funny fighting a war even though he's fit with sagging breasts."



PEOPLE: Even in an era of two old people argue with each other, To the surprise, they find out there's some informed comment!

Two old and wrinkled thumbs up

It's not strictly for their film reviews that people are watching these 'Reel Geezers'

BY JAMIE J. WEINMAN • YouTube has already replaced television for a lot of people, and it's replacing movie criticism next. When screenwriter Lorenzo Seagle Jr. and producer Marcia Nauser, two elderly friends who love talking about movies, wanted to start sharing their thoughts with the world, they created Reel Geezers, a series of YouTube videos in which they sit in Seagle's living room and argue, calmly and knowledgeably, about current films. They've gained a genuine (or not-huge) following: after they reviewed Wes Anderson's *The Grand Budapest Hotel*, Anderson responded to their comments during a TV interview. The two haven't worked on a film in several years, mainly because, in Nauser's words, "we live in a town where old is bad," but though they're considered too old to make movies, they can get online (and out of control), where instead of being a limitation, their age is the main selling point of their show.

Seagle was one of Hollywood's top screenwriters in the '60s and '70s, when he was head writer of the *Gunsmoke* TV series and wrote films like *The Fugitive* and *Patton*. Nauser and Nauser was a producer on the hit *The Godfather*. But they didn't use their experience as the basis for their reviewing. Instead, Nauser says they're "very deliberately" played up the environment value of elderly people discussing modern entertainment: "We're not supposed to be in their world, the world of the young," Seagle, whose original idea for the show was that he and Nauser should argue about movies and eat in the New York Times, says Reel Geezers is really "a personality show rather than a movie show. People rarely sit out of curiosity to see these two wondrously old people argue with each

other and talk. To their surprise, they find out there's some informed comment."

But do people like the duo for their review, or for the crap value of two old people arguing about what is now a young person's realm? The only Reel Geezers review to become a big YouTube hit is their first, of the new comedy *Superbad*. And what surprised the public's attention to the review was not the evolution (Seagle liked it, Nauser didn't), but the history of hearing their argument about the language and sexual content. Even as reviews of other, less youth-oriented movies, they play up the fact that they're from an older generation, in discussing *There's Something in the Water*, for instance, in part out of the "Bitchland," "the reason who don't know, is an exact guide to Reel Geezers, very even people."

So if Reel Geezers ever becomes a hit, it won't be because people look for the kind of insight they get in prior reviews; YouTube is for entertainment, and there's nothing more entertaining than watching old people talk about sex. One blogger wrote that Seagle and Nauser extended him of a hypothetical "reel" "discrete parties" because they were "high enough to not know today's movies, while young YouTube users made a video to learn Nauser's view of the *Forrest* in the *Superbad* review." He says he's taken all the power out of that word. Nauser smiles.



WE'RE STALKING... COLIN FIRTH

The 47-year-old actor is convinced he may be a fatal attraction among old ladies. The star of the Bridget Jones film says the men might be disappointed by a 1994 edition of *Anna Karenina* and *Providence* but brought troubling results: "I feel I'm increasingly lusted after by people beyond pensionable age. I was told of a woman in hospital diagnosed with high blood pressure, who was too fat to watch my movie *Anna Karenina* and *Providence*. She was 103."

PHOTOGRAPH BY DALE GOLD



THE MADRID PRODUCTION OF *The Story of Anne Frank: A Song to Live* stars 12-year-old Cuban actress Isabella Castillo (right)

Anne Frank: The Musical. Really.

Groups associated with Frank are divided about the new production opening this week

BY JAMIE J. WEINMAN • What, another musical about the Holocaust? A musical comedy has been in Spain because of a new musical, *The Diary of Anne Frank: A Song to Live*, which opens in Madrid on Feb. 18. Musical like *Cabaret* and *The Sound of Music* have had their share of Nazis, but those productions preceded the killing starts. This instead is the story of Anne Frank's life in Germany occupied Holland and the rehearsal controversy, using songs that sound like a combination of *Fiddler on the Roof* and *Spanglish* tunes (complete with flamenco guitar). It's the kind of thing *Saturday Night Live*'s Robert Segel imagined when he did a Day after tomorrow parody with Molly Ringwald as the singing voice of Anne Frank (*The Gypsy Girl* is a story). *Annexation*, publisher of the Anne Frank House, an organization in Frank's native Holland, says that some people are worried "the story of Anne Frank will become entertainment." But it may be exactly the kind of entertainment European audiences want to see.

The production has been in the news recently because one of Frank's relatives, Buddy Elias, of the Anne Frank Foundation, Switzerland (which owns the rights to the original diary), and he is "very angry" against a "big-budget musical version of Frank's story and life and death. But there have been other musical versions of this story, including one that previously got ill and of approval he told the Associated Press that when Anne, a 16-year-old Broadway musical, was all right with him because "there were songs on but not happy or funny songs." And a show with anti-funny songs, he noted, is "not musical." This despite the fact that Frank, Anne had to music in her diary and included lyrics like "My

dear, instead of build / When will it stop? When all of the people are killed."

The difference is that previous Holocaust musicals were basically small-scale attempts that weren't really intended to be profitable. The new Madrid musical is hoping to be a big hit, with all the hand sold marketing that goes with it, there was even a highly publicized casting search for the title role before the producers settled on 15-year-old Cuban actress Isabella Castillo.

While Elias objects to the transformation of Anne Frank's story into a profit-seeking vehicle, other Frank-related groups are more optimistic about what can come from a potential commercial success. Boker says that "the musical can be a good way to tell the story of Anne Frank and the Jewish World War to a broad public, especially young people." She points out that the Broadway stage play *The Diary of Anne Frank* and its 1959 film version helped to make the story familiar throughout America, and she thinks the musical will have the same effect in Spain.

Of course, the musical will have the effect Boker hopes for only if it's a hit. But it's not so far-fetched to think that a Holocaust musical could succeed. Though musicals are stereotyped as being light and frivolous, the most internationally successful and enduring ones are those that deal slaying and dis-

ting to depressing subjects. *Les Misérables* and *Phantom of the Opera* have few happy moments, even *The Lion King* is pretty downbeat in places. Lighter-themed musicals—ones like *The Producers* or *Wicked*—don't have nearly as much success in Europe. A producer wants to make a musical about Holocaust, he's better off doing a Holocaust story than a story with a happy ending.

Michael Colby, who has written such off Broadway musical comedies as *Charlie Smith*, explains that what non-English speaking audiences look for in their musicals is not light-hearted wit but "lots of stage effects and grandiose staging that doesn't depend on the audience following what's being said." Funny musicals don't do as well overseas because humor is "hard—often impossible—to translate linguistically, otherwise it's lost." Anne Frank is a subject so European the songs have to open up to Americans and Satans; they don't expect to see people like for joy, they expect musical theater characters to suffer.

Still, the Holocaust is a tougher subject than just revolutionary France or even Vietnam. In excerpts at the show's official website, www.annefrankmusical.com, Castillo's Anne sometimes seems like that other musical icon, Little Orphan Annie, the difference is that Anne thinks the sun will come out tomorrow, she's wrong. That may be more depression than even today's theater can handle. ■



PERFORMANCE OF THE WEEK • LIP-SYNC OPERA

When the Italian Mediaset Opera's star soprano, Cecilia Bayler, lost his voice just 40 minutes into the opening-night production of *L'aria di L'assommoir*, understudy Piaf (who he doesn't have time to get into costume) was in, who had been sitting in the audience, on onto the stage wings and sang Bayler's part while Bayler remained on stage. Lip-synching. Critics called the production, and what's happening, is triumphant.

PHOTOGRAPH BY DALE GOLD

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A fond look back at the 80th Bizarro Awards



As among the 80th and career arrivals and the surprisingly entertaining Bizarro Awards.

6:08 p.m. It's Monday in Hollywood—as Oscar night. A weather babe in a designer gown is brought in to deliver updates. “We’ll have really picked up out of the southwest to 25-30 mph,” the reports. “Weather problems immediately start attaching ballast to Clay Bishara.”

6:24 Heidi Klum drops by: “I’m not wearing a bra,” she tells Ryan Seacrest. “I have little pants on, but I don’t have anything up here.” It’s not exactly clear whether she’s pointing to her breasts or head.

6:29 The weather babe is back: “There’s a little disturbance,” she could be talking about the weather or Friday night at Nick Nole’s house.

6:43 Ryan asks the tough questions of George Clooney: “I’ve seen him five times, never run into with you,” Seacrest continues to coo about George’s “Barney hair” and his “most perfect combing,” even after Clooney has fed the name of the homoerotic.

6:55 Breaking news: John Travolta’s transformation into an Easter Island statue is now complete.

7:04 “Patrick Dempsey is here!” Ryan shouts. Then the Rock steps by and Mickey Cyrus. And Diddy. Welcome to the Bizarro Oscars everyone! Enjoy your host, Steve Garamba.

7:08 Arriving, the Oscar from Jennifer Hudson. Last year’s Best Supporting Actress, Hudson spoke directly to her mother in Spanish. Here’s a rough translation: “Mama, can you believe how huge this girl’s breast is?”

7:15 Tilda Swinton was Best Supporting Actress—but she took some grief for her dress, which looked to be designed by the Man from Glad and left only her left arm bare. Why was the right arm covered? That’s where Ryan Seacrest’s charisma is hiding.

under Giamatti...—on the small. Ryan Seacrest was here!

7:51 Ryan congratulates Jessica Alba on “the new one on the way.” “She, a little baby,” Alba confirms. So it’s baby in time, it’s baby, I had my baby on the way. Mickey Rooney.

8:19 The ceremony starts with an awkward-looking apology from Jon Stewart and moves quickly into an unannounced fuzzy Oscar retrospective from Barbra Streisand, who is that in each and every job focus that her face resembles a swag.

8:45 I can’t believe they gave the Oscar for Best Costume Design to that movie I didn’t love when the costume was so much better at that other movie I didn’t love.

9:00 Right words you do not want to hear

9:14 Hey, look! It’s a behind-the-scenes documentary on the Oscar voting process that couldn’t have been any more tedious unless they’d put clips from *Dead Awake* in it!

9:34 Robert Boyle is awarded an honorary Oscar—you may not have heard of him, but believe me, Robert Boyle is a household name in household names because he’s called Robert Boyle.

10:17 The cohost for the evening is all over the place. Dammit, she could have been Billy Joel’s girl!

10:51 Presenters of the night: who-who-who! to have Catherine Deneuve for the award for Best Cinematography—oh, as the title is, Cinematography. When she’s caught by the surprise for the second time, she promises to show that Warren Beatty is not a nominee to the Kodak Theatre, appropriate a seat (for, and get home before Cameron reaches the third table).

11:04 Speaking of Dene, it’s funny how one’s opinion of the history of stars changes when you get old. I’d had to read mid-century from *There’s Something About Mary*. I’d now probably choose Ben Stiller.

11:17 Best Supporting (for Jami) is accepted by Debbie Cady, a former stripper wearing a dress that is out of almost.



6:55 p.m.: John Travolta’s transformation into an Easter Island statue is now complete

After the winner for Best Makeup, “I have a lot of people to thank.”

Scott Javie Baran wins Best Supporting Actor for his flawless killer—and follows in the footsteps of other psychopaths to capture the night, including Joe Pesci (*GoodFellas*), Kevin Spacey (*The Usual Suspects*) and Robin Williams (*Insane*).

9:07 Arriving, the Oscar from Jennifer Hudson. Last year’s Best Supporting Actress, Hudson spoke directly to her mother in Spanish. Here’s a rough translation: “Mama, can you believe how huge this girl’s breast is?”

9:15 Tilda Swinton was Best Supporting Actress—but she took some grief for her dress, which looked to be designed by the Man from Glad and left only her left arm bare. Why was the right arm covered? That’s where Ryan Seacrest’s charisma is hiding.

her catch and themselves her huge torso of a hot chick in a show. Double pause briefly before speaking to allow Jack Nicholson to have a stroke.

10:13 I’m not saying Harrison Ford looks really old but I’m looking forward to his new movie, *Indiana Jones and the Kingdom of the Crystal Skull*.

10:48 The Oscar goes to Best Actress. They look about as excited as a jury of two being told their table is ready at Olive Garden.

11:45 Best Picture: *No Country for Old Men*. Producer Scott Rudin calls it a “complete surprise.” An afterthought surprise: Hollywood producers! #

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RENÉ FIAGA AYANGMA

1987-2006

'There was a conflict between who he was and what he was doing. René could not hit a fly.'

René Fiaga Ayangma was born in Monrovia, N.B., on June 4, 1987, to two schoolteachers, Wanda Curry, an Academic, and Noël Ayangma, an immigrant from the West African country of Cameroon. René, the first of the couple's four sons, was named in honor of Noël's older brother, who died of mysterious causes in his early 20s. "The day René was born," Noël remembers, "I could because I could find my brother coming to life." Noël's mother, Ekeama, moved here in 1976 when he was her son. She came from Cameroon to live with the family for several years after he was born, including time with her Noël's "special care." It was all the love he got as a youngster that made him enough a friendly and caring person, Noël says.

The Ayangma family moved to Charlottesville, a slow-life city of fewer than 15,000 people, when René was just two months old. His brothers Jacob, Sebastian and Pascal were all born there. Noël remembers that René learned to read when he was only three years old. It was almost as if he understood the words after just looking at them. At the same time, Noël taught René to play soccer in the backyard of the family's home in the Orchard Hill Park neighborhood. He was a natural, Noël says. During his years at a Charlottesville French school, L'École Française Basse, and later at Colonial City High School, René excelled at soccer, basketball and fencing. That sport, in particular, became his dad, but Noël accepted it as his son's choice. "Any sport has its risks," he says. Professor Lawrence Hake, the chairman of the biology department at the University of Virginia's School of Biology, who would later teach René, remembers his early, almost obsessive, athletic prowess. "I went out to run with him with training aids and believe me, once at age 11, he was big and he was fast and he gave me everything I could handle," Lawrence says.

René soon manifested the ability to turn his strength on and off. He ran-foot one and 185 lb., he found part-time work as a doorman at various bars. Joe Lau, owner of the Italian restaurant and seafood nightclub, Pharo's Joe's, hired him two years ago to check identification and look out for intoxicated people. "He also paralled inside," Joe says, "but whenever he did that he would be dancing. René was high energy." (At parties, remembers his friend Matt Campbell, "he was always the first one to dance and he was always the last one to

stop.") As a bartender, Joe says, "René was able to talk people out of problems. If he had to turn it on, he could, but never to the point of excessive force. He would never hurt somebody just for his two cents." Last spring, René got a second job as a server. He caught on to the menu's 140 items "almost like he had a photographic memory," Joe recalls. In October, when Noël found a teaching job at Newfoundland, René became the owner of the house. "He would roll back the restaurant and bring home food for the family," Noël says.

"Those he would take care of everybody," René looked after his friends, too, if someone needed help at 1 a.m., René says, René was dressed and out the door.

For such a young man, René juggled a lot of responsibilities. He wanted to become a U.S. Marine, but he eventually wanted to become a doctor. He continued to work the two jobs at Pharo's Joe's, and he decided to move from the team sport of soccer into a new sport, martial arts. "He was someone who wanted to win, who wanted to move ahead," Noël says. But again, he was less than enthusiastic about his son's new sport. "There was a conflict between who he was and what he was doing," Noël says. "René could not hit a fly." Adds Matt, "Perhaps it is a bit unique that René planned to become a doctor and yet took up kick-boxing, but the things we love are not always compatible." Training under Manny Borneat at the Largo Fitness Center in nearby Stafford, P.E., René won his first fight last Dec.

25, and was preparing for his second on March 15. Sam Borneat, "He was great, but he was a brawler, so he was already fighting on the street. His goal was to be somebody."

On Jan. 18, 18, Noël says his son worked out vigorously. "He fought twice, he weighed in, he exercised alone and with a group later in the evening." At the Largo Fitness Center, a friend who was training with René at about 9:30 p.m. Jan. 18 says, "All of a sudden, he took a knee when he was walking away from the gym he was fighting, then completely collapsed. It caught us off guard. He kept taking these weird breaks. The ambulance arrived two minutes after CPR commenced, but by then I believe it was too late." René was pronounced dead at Queen Elizabeth Hospital in Charlottesville. No death was attributed to natural causes. He was 20.

BY BARBARA RICHMOND



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